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LATVIA

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THE NEW
BALTIC STATES
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1. G. Semgals,
President of Latvia.
2. Dr. P. Kalninsch,
Speaker of the Saeima.
3. P. Juraschewskis,
Prime Minister.
4. A. Balodis,
Foreign Minister.

5. The Saeima
(Parliament).
6. The Residence of the
President.
7. Foreign Ministry &
Seat of the Govern-
ment.
8. The Bank of Latvia.
9. The University.

PREFACE.

This booklet contains a series of articles which appeared recently in the Riga Times under the title „Latvia in the Making“ from the pen of the wellknown Latvian publicist and contributor to the Encyclopaedia Britannica 13 Edition, Alfred Bihlmans, Ph. D.

The geographical names are given in their official Latvian spelling. A bibliography for more detailed information and a map of Latvia are appended.

Portraying as it does all the main aspects of Latvian life and conditions, this booklet will be a handy guide to those interested in the ancient and modern history of this Baltic Republic, and especially in the progress made during the first decade of its independence.

Leslie A. Marshall
Editor of The Riga Times.



Riga, the capital of Latvia.

I. GEOGRAPHICAL SURVEY.

Location and Area. Latvia (In Latvian — Latvija, derived from the word „latvis“ — „the Latvian“, which in the old Livic language means „the forest clearer“, as the Latvian agrarian folk were called by the Livic fisherfolk) is situated on the East coast of the Baltic Sea (from the Latvian word „balts“ — „white“) and belongs together with Estonia and Lithuania to the group of Baltic Republics, which gained their independence in the year 1918. Latvia embraces the territory around the Gulf of Riga and on the banks of the Daugava (Dvina) and lies between $55^{\circ} 40' 30''$ and $58^{\circ} 5' 22''$ North Latitude and $20^{\circ} 58' 4''$ and $28^{\circ} 14' 30''$ East Longitude (Greenwich). With an area of 65,584 square kilometres Latvia is the largest of the Baltic Republics. Some other European States as, for example, Denmark, Switzerland, Holland, Belgium and Greece are smaller than Latvia; and it may be observed that, before the great war, there were in Europe eleven independent countries which were smaller than Latvia.

The territory of Latvia covers 6,090,270 hectares, without water areas (according to Docent J. Bokalder). Thereof, — forests 1,780,386 hectares (29%), cultivated soil 1,677,465 hect. (28%), garden land 20,961 hectares, meadows 706,593 hect. (13%), pastures 869,660 hect. (14%), peat

bogs 60,900 hect. (10%), while the remainder, about 6%, is composed of marshes, sand and other useless tracts.

Boundaries. The political boundaries of Latvia, which coincide entirely with the ethnographical, have been finally determined and delineated. The shortest frontier is with Poland, — 93 kilometres, followed by that with Russia 280 km (mostly forests and marshes), with Estonia 370 km and with Lithuania 500 kilometres. Latvia's seaboard is about 500 km in length. The distance from Liepāja (Libau) the country's most westerly point to that farthest East on the Russian frontier is 442 kilometres as the crow flies.

Landscape. As to the nature of its surface, Latvia is, with but few exceptions, a flat country, the few hilly sections of which are not higher than 200 metres above the level of the sea. In this connection it is of interest to note that the steeple of St. Peter's Church in Riga, which is the highest wooden steeple in Europe, attains 136 metres.

The highest elevations in Vidzeme (Livland) are the heights of Aluksne with the Dehlin Hill of 275 metres, the heights of Limbaschi (Lemsal) with the Zilais or Blue Hill and the hilly region of the upper Gauja (Livonian Aa) near Vestiena where the highest hill of Latvia, the Gaisin Hill (314 metres) is to be found. Between Limbaschi and the hilly region of Vestiena lies the picturesque Gauja Valley, the so-called Livonian Switzerland, with the popular summer resorts Sigulda (Segewold), Līgatne (Līgat), Cēsis (Wenden) etc. In Vidzeme (Livland) we also find the historical little town of Valmiera (Wolmar), founded by King Waldemar of Denmark; and there, according to legend, the Danish banner, the „Danebrog“ is said to have fallen from Heaven.

Farther to the South between the hilly section of Gauja-Vestiena and the heights of Latgale (Wolkenberg 250 metres high) we come across the broad plains of Lubane, so called after the largest lake in Latvia, Lake Lubane. Between the hilly section of Gauja-Vestiena and the heights of Zemgale

and Talsi in Kurzeme (Courland) lie the fertile plains of Rīga and Jelgava (Mitau), watered by the Daugava, the Ilvonlan and Courish Aa and their tributaries. The range of heights in Kurzeme (Courland) near Talsi together with the beautiful valleys of Immula, Ammula and Abava (Abau) present one of the most picturesque landscapes in the country, the so-called Courish Switzerland. There are various elevations of importance in Kurzeme, as the name of the district town „Tukums“, which means „mountain“ in Livic, implies. On the hills are to be found the ruins of old Latvian castles, which are being explored by the Latvian researcher P. Brastinsch, who is continuing the work begun formerly by Dr. A. Bielenstein and K. Lewis of Menar. The elevations are covered mostly with dense forests, in which there are many lakes and springs, forming the sources of rivers. It is noteworthy that, throughout Latvia, there is an excess of coniferous over foliferous trees, there being an abundance of pine trees as, for example, along the whole length of the Rīga Strand. The wealth of forests in Latvia is attributed to the great moisture (the average annual rainfall being 680 mm), the favourable temperature (averaging 8° Celsius and declining to 0° for about 110 days only) and to the proximity of the sea, geological peculiarities and rational afforestation.

Geological Peculiarities. The geological structure of Latvia rests mainly on Middle Devon dolomite and sandstone. Only in Kurzeme (Courland) and Vidzeme (Livland), near the Daugava (Dvina) do we find late Devon layers as well (conglomerate clay with an admixture of dolomite or dolomite-covered sand). In Kurzeme we also find Jurassic formations (grey clay with calcareous deposits) and layers from the Perm period. With the exception of peat and brown coal, no combustible mineral resources have been discovered in Latvia. The curative baths at Ķemeri

(Kemmeren), Baldone (Baldohn) and Kandava (Kandau) are well known for their healthgiving sulphurous springs, and are visited by a large number of sufferers year by year. Ferruginous springs and other mineral waters have been found at various places. Amber is often washed ashore on the Courish coast and is also dug from the ground.

The minerals available in Latvia furnish the necessary raw materials for the brick industry, lime, cement and gypsum, as also for the manufacture of glassware and pottery.

Lakes. Thanks to its forests and the proximity of the sea, Latvia possesses a large number of lakes and rivers. According to M. Skujenecks (in his book on Latvia) the number of lakes exceeds one thousand; thereof in the districts of Cēsis (Wenden) and Walk exactly 540, in Latgale 300, in Kurzeme 150 and so forth. The largest of these are Lake Lubane 88 sq. kilometres, Lake Rasna 57 sq. km., Engure (Angern) 46 sq. km., Lake Liepaja (Libau) 40 sq. km., Usma (Usmaiten) 40 sq. km., Burtneek 40 sq. km., and Lake Babbit 39 sq. km. The lakes abound in fish, and their banks are swarmed with wild duck and other waterfowl. Some of the lakes serve traffic purposes as, for example, those in the neighbourhood of Riga, Kišezers (Stint Lake), Baltezers (White Lake) and Jugla (Jägel Lake) which are linked by canals to the rivers Lielupe (Courish Aa), Daugava (Dvina), Gauja (Livonian Aa) and Jugla (Jägel) and serve principally for the rafting and piling of timber. Many factories and sawmills are situated on the banks of these lakes. The Kišezers or Stint Lake will doubtless be of great importance at the creation of the free port of Riga in the future. Particularly beautiful are the lakes in Latgale (Lettgallen), where grow some rare species of aquatic plants. There are more than 40 islands in Lake Jescha, which is one of the most picturesque lakes in Latgale. From the standpoint of natural science, Lake Usma in Kurzeme (Courland) with its famous Moritz Island, is

exceptionally interesting. This island is named after the Marshal of France, Moritz of Saxony, son of King August II of Poland, who was a pretender to the Duchy of Courland and defended himself on the said island against the Russians in the year 1727. As every single species of plant found in Latvia grows on this island, it has been declared a Nature Preserve. The banks of Lake Jugla have also been converted into a park for the preservation of Nature. Traces of old lake-dwellings have been discovered in Lake Araiši in Vidzeme (Livland). These lakes and hills are interwoven in the themes of many popular tales and legends.

Rivers. The rivers of Latvia, of which there are no fewer than 500, constitute very important arteries of communication. Like the lakes, they also abound in fish. The principal water course is the 1000-kilometre-long Daugava (Dvina) stream, which has its source in White Russia (Ruthenia) and was the old commercial road from Scandinavia to Byzantium. It traverses 367 kilometres of Latvian territory. The longest river in Vidzeme (Livland) is the Gauja with a length of 380 kilometres. The Venta (Windau) of 300 km is notable in Kurzeme (Courland), and the Lielupe (Courish Aa) of 150 km in Zemgale. The largest number of rivers is found in the latter province, whose surface is only 25 metres above the level of the sea. These rivers serve mostly for the rafting of timber. Their banks were populated already in ancient times. The largest rivers of Latvia, 48 in number, flow into the sea, and may with the necessary technical improvement develop into important factors not only for Latvia but also for international traffic. This applies to the Daugava (Dvina) in particular.

The natural gradient of Latvian rivers affords an opportunity for the erection of electric power stations and factories, of which every possible advantage is being taken. The best possibilities are offered by the Daugava rapids near Dole (Dahlen), from which centre the industries of

Riga could be supplied with electric energy. As many Latvian rivers stretch partly into the territory of neighbouring States, (the Venta, Musa, river Memel, the Daugava etc.,) rafting and fishery conventions were concluded with the respective countries. The estuaries of the largest rivers (Daugava and Venta) form spacious harbours, namely Riga and Ventspils (Windau). Besides the large and well known ports of Riga, Liepaja (Libau) and Ventspils (Windau) there are fishing ports and smaller harbours for coasting trade as Pavilosta (Paulshafen), Rija (Rojen) and Ainazi (Haynasch).

Flora and Fauna. The soil is fertile in Latvia and its cultivation dates back to olden times. The ancient Scandinavian saga (Skalingrimsson) tell of a highly developed agriculture in Courland. Also Henry the Latvian testifies in his chronicle, which was written in the beginning of the 13 century, to the large number of livestock and the well kept fields of the Semgalians, Latgalians, Talavians and other Latvian tribes. The ancient Latvians were acquainted with the growing of corn, horticulture, apiculture and fisheries, of which mention was made in early treaties. In the national home songs of Latvia, the „Dainas“, there is frequent mention of grain, flowers, bees, domestic animals and trees. From this it is obvious that Latvia has always possessed natural resources.

Latvia has a rich variety of plants, including all those which are to be found in the northern part of Central Europe (according to Professor Kupffer more than 2000 species). Besides the species of forest trees already mentioned, the maple, elm, ash, aspen, alder, lime (linden) and oak also grow in Latvia. The last two were especially adored and even celebrated in old home songs, for the linden and oak trees were objects of worship to ancient Latvians. There are in Latvia seventeen different kinds of willows. The soil and climatic conditions in Latvia are suited to all kinds of grain, various kinds of vegetables, flowers, grass,

barley, beetroot and grapes. Certain species of tobacco have been grown with success in Kurzeme (Courland) lately. Conditions in Latvia are particularly conducive to the cultivation of seeds, namely clover and linseed.

The fauna of Latvia is essentially Nordic, comprising the white hare, white partridge, eider-goose, heath cock, the wild duck and many other species of birds exceeding 300 in number. Of the mammals, which are almost entirely extinct in Central Europe, the following may yet be found in some of the Latvian forests: (in Vidzeme and Latgale), lynxes, wolves, wild boars, deer, badgers, foxes, ant-bears, moles, martens, polecats, weasels, otters and squirrels. In the sea are seals, porpoises and dolphins. Latvian waters also abound in all kinds of salt and fresh water fish as small Baltic herrings, cod, sprats, lampreys, flounder, trout, eel, mormines (killos), salmon etc. —

The insects in Latvia are also of many kinds. There are, for example, several hundred species of butterflies and a species of bee peculiar to Latvia only. This rather abundant animal life testifies to the healthy climate of Latvia and to the rich mineral properties of its soil and waters.

Population. Evidence of human habitation in Latvia may be traced as far back as the year 3000 B. C. According to researches made by the archaeologist H. Moor, the settlement of Latvians in the year 200 A. D., has been established with certainty. The excavations made in Latgale by Professor Dr. F. Balodis show that Latvians inhabited that region already in the iron age. Excavations made at Ilmshenberg and elsewhere have resulted in rich finds dating from the stone age and a smaller collection from the bronze age. Ancient Latvian culture was at its zenith in the iron age when the Latvian tribes prevailed in cultural struggle over the neighbouring peoples. There is scientific evidence which proves that, before the German invasion, the Latvians had a highly developed culture for the period in which they

lived and compared with the other Baltic races. They also maintained brisk relations with other nations, as the Scandinavians, Romans, Arabs and Slavs, as proved by the discovery of coins (Historical Museum, Riga) and the historical testimonies of Herodot, Tacitus, Jornand, Ibn-Varda and others. According to some scientific theories, the Latvians advanced from the South to the North. The well-known Kaunas philologist Professor Buga has established lately in White Russia (Ruthenia) the same names of rivers as are met with in Latvia today. Coming from the South, the Latvians must have advanced to the sea very rapidly, for already in the seventh century they inhabited the whole of Courland and, shortly after, Livland as well. In spite of wars and epidemics, the Latvian population grew apace. For example, whereas in the year 1800 they numbered only 720,000 souls, the census of February 10, 1925 showed a Latvian population 1,844,805 strong. In the year 1925 the number of births totalled 41,314, as against 27,683 deaths, showing a surplus of 13,631 souls. The increase of population totalled 13,516 souls in the year 1926.

The vital statistics of the town of Riga in November 1927 were as follows:

	Births	Deaths	Excess or Recess of Births.
Latvians (198,736)	215	203	Plus 12
Germans (43,792)	30	62	Minus 32
Jews (39,459)	52	35	Plus 17
Russians (29,235)	52	30	Plus 22
Poles	15	13	Plus 2
Lithuanians	9	6	Plus 3
Others	12	10	Plus 2

As observed above, Latvia had a population of 1,844,805 souls in the year 1925, i. e., 28 to the square kilometre, as compared with 12 to the sq. km in Sweden, 7 in Norway, 8 in Finland and 9.5 in Russia. There is also a large

number of Latvians resident abroad as, for example, in Canada 200,000, in Estonia 10,000, in Lithuania about 50,000 and in the United States about 50,000. Vidzeme (Livland) with the capital Riga has 742,533 inhabitants, Kurzeme (Courland) 286,000, Zemgale (Semgallen) 275,940 and Latgale (Lettgallen) 539,682. Sixtyeight percent of the population live in the country, the remainder in the towns. Townlike settlements were to be found in Latvia even in ancient times. Thus Henry the Latvian mentions in his chronicle such places as Limbaschi (Lemsal), Cesis (Wenden), Valmiera (Wolmar) and so forth.

The number of towns has naturally increased in the course of time and there are in Latvia today 57 towns with self-governing rights. The biggest towns are: Riga with 600,000 inhabitants, Liepaja (Libau) with 61,000, Daugavpils (Dvinsk) with 41,000, Jelgava (Mitau) with 28,500, Ventspils (Windau) 16,400 and Rezekne (Rositten) with 12,000. The smallest town in Latvia is Piltene with 970 inhabitants. The Latvians average 75.61% of the entire population, their total number being 1,354,126; but the percentage rises up to 90% of the total number of inhabitants in the country parts. The Russians (Great Russians 193,648 and White Russians 38,010) are the group next in point of numbers to the Latvians, constituting 12.32% of the population. Then follow the Jews (95,675) with 4.48%; the Germans (70,964) — 3.39%; Poles (51,143) — 3.62% and other groups as the Lithuanians (23,192) and Estonians (7,853). The others as the Livs and Gipsies comprise less than 1% of the entire population.

The Livs. Next to the Latvians the Livs are the oldest inhabitants of Latvia. They belong to the Finno-Ugrian race and speak a language kindred to the Finnish tongue. In quest of more lucrative fishing grounds the Livs, it is surmised, immigrated hither from Finland or the Estonian islands. The word „Liv“ means „seasand“. The early German merchants, who came into contact with the Livs first, called

Latvia „Livonia“ after them. The Livs mixed quickly with the Latvians and the process of assimilation has reached such a stage that today their number is a negligible one. The last of the Livs may be found in North Courland in the districts of Dundaga and Maz-Irbe. In Vidzeme (Livland) they have been so interbred with the Latvians as to be no longer distinguishable.

Form and Appearance of Latvians. According to his ethnographical type the Latvian is for the most part dark-haired (44%). The percentage of blonds is 33.5%. — The remainder is brown-haired. 87% of the Latvians have light eyes. Physically the Latvians are of a strong build, the average chest measure being 89.5 cm., and average height 170.4 cm. The tallest Latvians are in Piebalga (Pebalg) in Vidzeme (Livland). It should be observed that, according to Professor G. Bachman's computation, the Germans, Russians, Poles and Estonians are, on the average, of smaller stature (169 cm.) than the Latvians. The mean duration of life of the Latvians is 60 years.

National Character and Peculiarities. The Latvians are by nature a diligent people. They are attached mostly to agriculture, horticulture, stock farming, navigation and the technical trades. They are less represented in trade, in consequence of the historical circumstances which, for centuries, debarred them from municipal avocations. In character the Latvian is Nordic, energetic and brave, but with a lyric tendency of soul. Family life is very strict among the Latvians, especially in the country. For ages the Latvians have been a God-fearing people, whose religious proclivity is conducive to sectarianism (Herrnhuter Congregation). Ethnologically, the Latvians are able to assimilate the Russians and Germans relatively quickly. In his views the Latvian is conservative, though he does not debar himself from new and progressive ideas. The Latvian national costumes and ornaments of today are, for example,

very similar to those discovered by Professor Dr. F. Balodis in graves of the iron age.

National Art and Customs. It is generally but incorrectly assumed that the ancient Latvians knew nothing of stone buildings. It is true that wooden structures were more customary. Dr. Bielenstein even speaks of a „wood nge“ in Latvia. However, the ancient Latvians had an architecture of their own. The variety of ornaments with which their textile fabrics were embellished, the beauty of their iron work, their wood sculptures etc., testify to the artistic nature and efforts of the population. Since ancient times the Latvians have been wont to live in separate farms and not in villages, which latter are to be found in Latgale only. But also there the people show a preference for detached farms. This mode of life contributes largely to the specific Latvian individuality and to the reserved nature of the Latvians; but, on the other hand, it promotes self-reliance, the faculty of independent resolution and the spirit of enterprise.

Language. The Latvians are Indogermans and understand, besides their mother tongue, German and Russian in general, and also English and French in the towns. German and English are compulsory subjects in the schools. The Latvian language is one of the oldest living tongues and is classed by scientists with the Baltic family of the Indo-European languages. It belongs to the same linguistic group as the Lithuanian, Old Prussian and the languages of the extinct Baltic tribes the Galinds, Jadvigs etc. It is also related to Sanskrit, the Slavic, Latin and Greek languages. Prof. Dr. Endzelinsch has published in German a scientific grammar of the Latvian language. Dr. John Dyneley Prince, former Minister of the United States to Denmark, is the author of the first practical grammar of the Latvian language for the use of English students. Several European Universities have established special institutes for investigat-

ing the Latvian language (in Königsberg, Leipzig and Kiel). Great services in the cultivation of the language were rendered by the Latvian Literary Society which was founded in the year 1824, and special appreciation is due to such German literati and clergymen as Watson, Pantenius, Manzelius, Dr. Bielenstein and others. The oldest literary monument printed in the Latvian language is the Catechism of Father Peter Kanisius which was published in Vilna in 1585 (revised edition by Professor Dr. Wolter); but other earlier literary monuments have been handed down in manuscript as, for example, the Lord's Prayer by Peter Brunau and other documents which have been dealt with in detail by Docent Zeiferts in his three volumes on the history of Latvian literature. The Bible was translated by the Reverend K. Glück in the year 1689.

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a g e h m s t i e n d

Latvian runic letters.

Folklore. The Latvian nation possesses a rich folklore. The popular home songs or „Dainas“ as they are called, of which the folklorist Kr. Barons collected more than 218,000, the tales, legends and proverbs collected by Dr. A. Bielenstein, A. Lerchis-Puschkaitis, Professor P. Schmidt and A. Schwabe and the popular tunes collected by J. Cimse, J. Vitols, A. Jurjans, A. Kalninsch and E. Melngailis portray the religion of the ancient Latvians and mark the commencement of Latvian culture. According to Latvian legends, old Videvuds, from whose sons the Latvians and Lithuanians are descended, is the ancestral father of the

Latvian National Dress.



Vidzeme, District of Krustpils.



Latgale, District of Malta.



Zemgale, District of Zālenieki.



Kurzeme, District of Bārta.

nation. The national hero of the Latvians and Lithuanians is Lacplesis (The Bear-Killer), a valiant warrior with the ears and the strength of the bear which suckled him in infancy. He it is who restores the Castle of Light, liberates the people from the power of evil spirits and awakens them from endless sleep, saves them from their enemies, creates the State, is an exemplary family father and, even in death, is relentless in his struggle against the Black Knight. On this legend are based the celebrated poem „Lacplesis“ by A. Pumpurs, the drama „Uguns un nakts“ („Fire and Night“) by the famous Latvian poet Rainis and the opera of the same title composed by Janis Medinsch.

The legendary hero Kurbads is credited with many heroic deeds similar to those of the Greek Herakles. Caunis is said to have defeated the Devil by cunning, in which way the people portray Man's fight with Nature. Many other legends illuminate Latvia's past, displaying vanished castles and strongholds, mystic lakes and enchanted Princesses. There is a repetition of motive in Latvian fairy tales as in those of other Indo-European nations.

The religion of the ancient Latvians was pantheistic. They did not worship idols, but adored Nature and idolized the powers of Nature as „Perkons“ (Thunder), „Saule“ (the Sun), „Laima“ (the goddess of Fortune) and so forth. They believed in an after life in the world to come. They celebrated the natural feasts, rejoicing with Nature on the change of season in summer (solstice), in autumn (harvest) and in winter. The Lihgo songs which have been sung for ages in commemoration of St. John on his festal day, June 24, have been handed down to the present generation. It is characteristic that the ancient Latvians had a horse-and-bee god called Usinsch. From this it may be inferred that they must have made comparatively good progress in cattle breeding.

Other National Groups. Of the other groups of people living in Latvia, besides the aforementioned Livs, a particular

importance attaches to the Baltic Germans (in Latvian „vaci“ after the Vaki, a one-time neighbouring Germanic tribe) who have settled here since the 13 century and contributed largely to the civilization of the country. In the 18 century the best representatives of the Baltic Germans (Baron K. F. Schultz, F. von Sievers, Pastor E. Schwartzenberg, Baron Buddenbrock, R. von Samson-Himmelstjerna and others) endeavoured to ameliorate the position of the Latvian peasants; they were solicitous for the spiritual welfare of the people, had the Bible translated (K. Glück), wrote sermons and compiled hymnbooks, protested against the oppression of the Latvians (G. Merkel), issued calendars and the first Latvian newspaper (K. Watson), compiled dictionaries and textbooks and researched the folklore (Dr. Bielenstein).

Very strongly too did the local Germans (especially Professor Dr. Schirren) oppose the russification measures of the Czarist regime, and the efforts of the Russian Government to incorporate Latvia in Russia, that is to say, abolish the peculiar autonomous administrative order of Latvia which, though antiquated, was distinctly different from the methods employed in Russia proper. In the 19 century the German middle class took an active part in Latvia's economic boom, established the Riga Polytechnic Institute and displayed great zeal in the promoting of agriculture and domestic research (Professor K. Kuppfer). In the recent past the Baltic German Liberals participated in the war of independence and the foundation of the Latvian State. All the inhabitants of free and independent Latvia are united in the endeavour to ensure the country a prosperous future, and as gifted and loyal citizens the Baltic Germans fill an esteemed position in the affairs of the State, as is testified by their active participation in the legislative work of the Latvian Saeima (Parliament) and in the economic life of the country.

The Jewish citizens of Latvia whose ancestors settled here in the 16 century (during the Polish period) are equally loyal and have contributed largely to the furtherance of trade. The Russians living in Latgale, mostly Old Believers, descend from those who immigrated hither in consequence of the persecution of Patriarch Nikon. As citizens of Latvia they are as loyal as the White Russians and Great Russians who, in the campaign against the Bolsheviks, organized their own detachments of volunteers. The Russians, like the Latgalian Poles, are mostly farmers, and their interests are identical with those of the native Latvian farmers. The other groups of the population, Estonians and Lithuanians, live in the frontier zones. Their percentage is very small (less than 1%) and they are engaged mostly in farming. Native gipsies are also to be found in the country.



An old Latvian castle — „pilskalns“.

II. POLITICAL SURVEY.

Political History. The political development of the Latvian nation is similar to that of the other North European peoples. As has been established by the above mentioned archeologist Professor Dr. Balodis, there were in Latgale in the 8 century a whole chain of frontier fortifications for safeguarding the Latvians against the incursions of the Slavs. At that time the Latvians possessed weapons, armour and fortified places, all the product of their own hands. This is evidence of the existence of an organized State apparatus. Henry the Latvian also refers in his chronicle to the Latvian tribes (the Cours, Semgalians, Latgalians, Selences, Talavians, Jumars and others) as politically organized units headed by Princes, Dukes and Kings, whose names he also mentions. For example, Viesturs (Vesthard) the Powerful, Talivalds Senior and his sons, Visvalds, Rusinsch and others, who ruled in their castles at Satekle, Beverin, Tervete, Sidrabene, Autine and Lielvarde. Duke Viesturs of Zemgale counted 12 subordinate Princes as vassals. King Lamekin of Kurzeme (Courland) had seven vassals, and so forth. The Latvian rulers were great warriors. Viesturs (Vesthard) for instance had a cavalry force 3000 strong. Descendants of Courish Kings are living in Courland unto this day in the so-called „Kēniņu ciems“ („King's Court“). The Latvians cultivated international relations and concluded treaties with the Kriivitschi (White Russians), a Slavonic neighbour, the Livs, the Estonians and the Swedes of Gothland. They also signed treaties with the German immigrants with whom, however, they fought desperately from the 13 century onwards.

Despite the defeat of the German Order at Saule (in 1236) and at Durbe (in 1240), the Germans were victorious in the end and, about the middle of the 15 century, established on the Baltic seacoast the federative republic of Livonia, composed of Latvia and Estonia, in which the clergy (the bishops of Riga, Dorpat, Reval etc.), the Municipalities (Riga, Reval), the Livonian Order and their vassals, who all comprised the Landtag played the decisive part. Gradually the Latvians were deprived of their possessions and political rights and had to render socage-service to the Church and military authorities. About the middle of the 16. century, after the victory of Reformation, the Catholic federative republic of Livonia, being unable to withstand the Russians, was divided (in the year 1561) between Poland (Livland and Latgallen) Denmark (Pilten and the islands in the Gulf of Riga) and Sweden (Estonia), so that only Kurzeme and Zemgale (Courland and Semgallen) retained their independence as feudal Duchies governed by the last Master of the Order, one Kettler, whom Poland crowned hereditary Duke of Courland and Semgallen. Under Duke Jacob of Courland, a godson of Jacob I of England, this duchy attained the zenith of prosperity about the middle of the 17 century. The Swedes, who were at war with Poland, occupied Riga and the whole of Livland in the beginning of the 17 century (1621 under Gustav Adolf). Only Latgale was left to Poland. The Swedish period was for Livland the best ever experienced under foreign rule, for the Swedes were solicitous for the material and cultural welfare of the peasantry; they opened schools, had the Bible translated into Lettish and even contemplated liberating the serfs. That period came to an end in the year 1721 when Livland was occupied by the Russians (Peter the Great)*) with the help of the dissatisfied

*) Peter the Great married Martha Svirbul, a beautiful Latvian girl who, after the Czar's death, reigned as Empress of Russia under the title Catherine I. Her daughter Elizabeth also ruled in Russia. The family of Count Hendrikow are descendants of Catherine's brother Indrik (Henry).

German estate-owners (Patkul). The Russians occupied Latgale in 1772 after the first division of Poland and, at length, Kurzeme (Courland) and Zemgale as well in the year 1795. Thus the different parts of Latvia were re-united, but under Russian supremacy, from which they were liberated only after 197 years, namely on November 18, 1918, the day on which the independence of the Latvian Republic was proclaimed.

National Resurgence. After the Russian conquest, the Latvians found themselves in an exceptionally difficult situation, as the Russians abolished the Swedish reforms and extended the privileges of the big landowners. Peasants' revolts, which had also occurred formerly, became more frequent. At length, the Russian government (Catherine II, Paul I.) was obliged to consider the abnormal rural conditions, especially in regard to the possessing of land, in Latvia. Several liberal-minded German landlords also submitted to the Diet, towards the close of the 18 century, their projects of modified rural legislation which, however, the reactionary majority always rejected. Only at the beginning of the 19 century, in the year 1804, under the pressure of the French revolution, did Czar Alexander I proclaim the hereditary proprietary rights of the Latvian peasants to the land they cultivated; but this law was repealed later, under the pressure of reactionary court circles after Napoleon's downfall, whereupon a new law emancipating the peasants from serfdom was passed in the year 1819 (in Courland 1817), by virtue of which all the land passed into the possession of the big estate-owners. So that, although the emancipation of the peasants had been carried into effect, no provision in the way of allotments was made for their existence, for the land had to be bought from the estate-owners, though during the Swedish period it had been incontestably proved by the investigations of the Swedish government that the landowners had gradually usurped the rights of the State to the estates held in fee, thus gaining

illegal possession of five-sixths of the entire area of estates. As the landowners were not inclined to sell land, most of the peasants remained lessees, and only a few were able to buy small farms. This state of affairs led to new disturbances and Latvian peasants even began to emigrate to Russia. Later, in the sixties, the Latvians were granted a certain measure of civil rights and freedom of movement, which allowed them to live in towns as tradesmen and artisans. It should be observed that, together with the Russian peasants, the Latgalian peasants were liberated only in the year 1861. After the alteration of the old laws bearing on the self-governing system in the year 1877 and after the enforcement of the new judiciary system, (following Senator Manassejin's revisions in the year 1883) the Latvians were enabled to take active part in communal affairs (City Council), in public and government service (peasants' Courts) and to improve themselves culturally.

With the help of the newly established Land Bank several thousand farms passed into Latvian hands in the second half of the 19 century. The Latvians gained a firmer footing in the towns, acquired better education and, in general, entered the period of national resurgence. Although the first Latvian newspaper („Latviešu Avizes“) appeared already in 1822, the development of journalism began only in the second half of the 19 century. For instance, „Mājas Viesis“ (The Family Friend) appeared in 1856, „Peterburgas Avizes“ in 1862, „Baltijas Vēstnesis“ (The Baltic Express) in 1868, „Austrums“ (The East) in 1886, „Baltijas Zemkopis“ (The Baltic Farmer) in 1880. Then it was that Latvian publicists began to step forward. Krūnvald's „National Aspirations“ appeared in 1868. The Latvian Union was founded in Riga in the same year. The first Latvian song festival took place in 1873 and the first agricultural exhibition in the following year. The first big ethnographical exhibition which took place in Riga in 1896 presented a rich collection of ethnographical material which stimulated public interest in the ancient

history of Latvia. Bauman's song entitled „Dievs, svēti, Latviju“ (God Bless Latvia) was first sung in the year 1874 and has ever since been regarded as the national anthem of Latvia. The first Latvian theatre was founded by A. Allunans and R. Tomsons in the year 1868. The publication of Krišjān Baron's monumental work, the great anthology of Latvian home songs („Latvju Dainas“) was commenced in 1894. More and more Latvians acquired high school education, which circumstance enhanced the beginning of Latvian literature under the leadership of such popular men as Juris Allunans, Atis Kronvalds, Krišjānis Valdemars and Fr. Grosvalds, who in their capacity as publicists, economists, organizers and promoters of culture strengthened the national consciousness of the Latvians. Their numerous followers and successors continued the work in their spirit and, by the end of the 19 century, the Latvians could boast of their own society and culture.

However, the economic situation of the Latvians was still very unsatisfactory, for the propertied class was very small compared with the large number of landless proletariat, most of whom migrated to the towns to work in factories.

The overwhelming number of the non-propertied classes (75 landless to every 100 Latvians) led to the revolution of the year 1905, which bore partly a national character, for here and there the parole of Latvian independence was advanced. The democratic progressive Russian circles in public service sympathized with the Latvians, but the Russian government quelled the revolution mercilessly with the help of the Baltic landlords. Many Latvian politicians had to seek refuge abroad.

The Liberation of Latvia. Despite the reaction which followed the revolution the public leaders continued the work begun during the period of national resurgence. They resisted Russification, founded unions, associations, coöperative institutions, savings and loan banks, they opened schools, published books and newspapers and did everything in their

power to elevate the nation materially and intellectually. In many town councils the Latvians were in the majority, and their numbers grew in the liberal professions as doctors, lawyers, clergymen, engineers, teachers and artists. A large number of Latvians studied at the University of Dorpat, the Polytechnic Institute in Riga and at Russian Universities, especially in the faculties of law, agriculture and engineering. These qualified forces were subsequently enlisted in the service of the independent Latvian State. An era of new development then set in for Latvian literature to which the following well known writers contributed: Lyricists: J. Akuraters, Aspasia, Auseklis, F. Bārda, J. Poruks, A. Pūpura, J. Rainis, K. Skalbe, E. Veidenbaums and E. Virza; Romancists Jekabs Apsīts („Pie Pagasta Tiesas“ — At the Village Court), A. Deglavs („Rīga“), V. Eglits („Peklains Barons“ — „The Grey Baron“), H. Eldgasts („Zvaigznatās nakts“ — „Starry Night“), J. Janševskis („Dzimtene“ — „Homeland“), J. Lautenbachs („Līga“ — „The League“), Matīss and Reinis Kaudzīt („Mērnieku laiki“ — „The Surveyors' Period“), Juris Maters, A. Niedra („Liduma dūnos“ — „In the Smoke of the Forest Clearing“); dramatists — Anna Brigader („Sprīdītis“ — „Tom Thumb“), H. Blaumanis („Indrani“ — „The Indrans“), A. Gulbis, J. Dabulis („Indulis un Arija“ — „Indul and Aria“), E. Wulfs („Meli“ — „Falsehoods“); and lastly novelists, as J. Jansudrabiņš („Baltā Grāmata“ — „The White Book“), A. Rozīts, A. Saulietis, K. Strāls, A. Švabe, A. Upīts and others. It is noteworthy that Latvian authors show a particular aptitude for lyric poetry and short stories. Then began the classical period for Latvian music which made the nation proud of its gifted sons as, for instance, the following notable composers: E. Darzins („Valse mélancholique“), A. & P. Jurjans, A. Kalnins, E. Melngailis, J. Vītols, J. Vīgners, J. Zālītis. Among the renowned Latvian painters mention may be made of the following: J. Bērners, K. Huhns, V. Matvejs, R. Perle, V. Purvits (gold

medals Paris and Lyons), J. Rose, J. Rosentals, R. Tillberg and J. Valters. Graphic Artists: A. Plite-Pleite, Professor R. Zarrins, Z. Vidbergs. Architects: J. Baumanis, M. Nukša and K. Peksens. Critics and Publicists: Matiss Arons, J. Asars, A. Bergs, Art. Berzins, K. Dekens, B. Dirikis, K. Ducmans, J. Cakste, V. Olavs, K. Ulmanis, A. Upits, Dr. M. Valters, Fr. Veinbergs, J. Velme, Dr. P. Zelits and T. Zeiferts. In a word, the Latvians were well represented in all branches of the intellectual sphere, including science: Professor J. Krodziniēks (History), Professor K. Balodis (political economy), Professor J. Endzelins and Professor P. Smits (philology), the academist P. Valdenis (chemistry) and others. The Latvian nation has also produced some distinguished actors and singers.

At the outbreak of the great war, which preceded the Russian revolution, the Latvian nation was ripe and ready for independence. It is a noteworthy fact that, in the year 1915, Czar Nikolaus II allowed the Latvians, very many of whom were officers in the Russian army, to form their own military units (182,000 strong), which kept large German forces at bay on the Riga front for three years and sacrificed 32,000 lives in the great war. The illustrious German General Field-Marshal von Hindenburg called the Latvian regiments „the brilliant stars“ of the Riga front.

Then followed a series of rapid developments. Shortly after the bolshevist coup in the year 1917, while Riga was still occupied by the Germans, the Latvian National Council was established in Valka, headed by V. Zamuels, who was in close contact with the Latvian Refugees' Committee which was then operating in Petrograd under the chairmanship of J. Chakste with the coöperation of influential compatriots, paving the way for Latvia's independence. The Latvian National Council lodged solemn protest against the Brest-Litovsk peace treaty, which left the Baltic States to the mercy of Germany. It may be observed in passing, that already in the year 1915 the Russians for-

mally evacuated the Latvian population from Courland to Riga, and that after the collapse of the Riga front in the autumn of 1917 the Russian regiments deserted the front, thus enabling the Germans to occupy almost the whole of Latvia. In the above mentioned peace treaty the Bolsheviks handed Latvia to the German military authorities who planned the colonization of Courland with German peasants, mostly demobilized soldiers.

In the meantime, despite the German occupation, the agronomist Karl Ulmanis (subsequently Latvia's first Premier) formed the Latvian Democratic Block, from which after the collapse of the German occupation there evolved the National Assembly, which proclaimed the independent Republic of Latvia on November 18, 1918. Already on November 11, 1918 the National Assembly had been recognized by Great Britain as the sovereign authority of Latvia. The difficulties which confronted the newly formed cabinet of ministers were almost insurmountable: There were no funds, no regular army; trade, industry and agriculture were ruined. A new State apparatus had to be created. And to add to the misfortune, the Bolsheviks began to advance in the Christmas season of 1918 and, as the Germans in contravention of the agreement with the Allies surrendered the territory of Latvia before the new Government had been able to organize an army, the Soviet forces occupied practically the whole of Latvia with but little difficulty. The provisional Government moved to Liepaja (Libau) in January 1919 where, under the most discouraging conditions, the organization of the State apparatus and of the army was continued. The German occupation administration was also in Liepaja (Libau) at the time, where Count von der Goltz was endeavouring to fulfil a special mission, viz., to recruit volunteers in Latvia for German reactionary purposes, to supplement these with German soldiers, to whom the vague promise of allotments

in Courland was made, and to occupy Estonia as a base from which to advance upon Petrograd.

The Latvian army managed to check the advance of the Bolsheviks; but using the Latvian Pastor A. Niedra as a figure-head the Baltic German reactionary elements carried off a coup against the provisional government in Liepaja (Libau) on April 16, 1919, and only after the liquidation of this revolt, after the liberation of Riga from the Soviet yoke (on May 22, 1919) and after von der Goltz's new adventure had been frustrated by the North Latvian army under Colonel Semitans with the assistance of the Estonian army at the battle of Cesis (Wenden) on June 22, 1919, was it possible for the legitimate government of Latvia to resume its arduous task. Under pressure of the Allies von der Goltz had to leave Latvia together with some of his troops, but considerable German forces still remained in Courland. Over the latter, von der Goltz's successor Bermondts who arrived from Berlin on September 2, 1919, assumed command. In the autumn of 1919 General J. Balodis, Commander in Chief of the Latvian forces (successor to the first Latvian Commander Colonel O. Kolpak who fell in battle) had an army which was strong enough both to hold the front against the Bolsheviks and to rout and repulse from Latvia the Bermondts army of Goltzian remnants which had marched upon Riga from Courland. Bermondts, an ex-Russian „Porutschik“ (Lieutenant) and Ukrainian District Chief, was backed by German—Russian monarchists, who aimed at squashing Latvia and Estonia and restoring the Russian monarchy. Men, money and munitions were supplied for this adventure by Germany. However, as has been observed above, the plan fell through. Shortly afterwards, in January 1920, with the help of the Poles, the last remnants of the Bolsheviks were driven out of Latvia on the liberation of Latgale, and so on May 1, 1920 it was possible for the Constituent Assembly, universally

elect, to convene for the purpose of extending and completing the process of State construction.

From the Constituent Assembly to the First Parliament. The liberation of Latvia having been accomplished and all enemies driven from the country's confines the next step was to safeguard the acquired liberty, stabilize Latvia's international position, draft the State Constitution, the necessary laws and regulations, and above all, strengthen the country economically. For, as will be remembered, Latvia was for more than four years a theatre of war and had sustained exceedingly heavy losses, which were augmented by German and Bolshevik occupation. No fewer than 30,000 wagonloads of industrial plant representing a value of 500 million gold roubles had been evacuated to Russia proper, Latvian commerce had come to a standstill, the banks were paralysed, agriculture had been shattered and a large section of the population was scattered abroad as refugees. No wonder then, that in such discouraging circumstances, great hardships had to be borne and heavy sacrifices made to carry on the work of reconstruction and not lose faith. Moreover, the rate of the Latvian rouble began to decline in the year 1920. This continued in 1921 and emphasized the necessity of financial reform. In very truth a supreme effort had to be made to restore the country's economic equilibrium. But, first of all, treaties of peace had to be concluded.

On June 15, 1920 Latvia concluded peace with Germany, which country had declared war on Latvia in as much as the German Government had extended its protection to the Bermondts army, whose 50,000 soldiers as Bermondts himself declared comprised exactly 42,000 Germans. On August 11 of the same year Latvia signed the treaty of peace with Russia, which rendered possible the repatriation of refugees. Under the terms of that peace treaty Russia undertook to return to Latvia the evacuated property, articles of cultural value and bank deposits. By virtue of the said treaty Latvia was

entitled to 100,000 hectares of forest for restoring the devastated areas.

At the same time Latvia deputed representatives to established missions abroad. The organizing of State institutions was continued. For facilitating the restoration of industry the Constituent Assembly permitted the importation of machinery dutyfree and issued credits for that purpose. In order to control the process of economic resuscitation the State took over the railways, the forests and the trade in flax, enforced the spirit monopoly and administered temporarily various other economic branches which private initiative was not yet able to cope with. For example, the manufacture of and trade in leather which, however, was subsequently returned to private initiative.

The law regarding the Agrarian Reform was passed by the Constituent Assembly on September 16, 1920, and the Government proceeded to enforce the same forthwith so as to provide work and a livelihood for the large majority of the population who lacked and longed for land and work. With a view to promoting trade, laws were passed regarding free ports and free territories, and the Customs tariff was drafted. With great energy the Constituent Assembly adopted measures for restoring the country's ruined agriculture. The distribution of building timber was organized and the State supported the purchase of seeds, fertilizers, livestock and machinery. Railway traffic was then reorganized, the rebuilding of bridges was commenced and port equipment renewed. Particular attention was paid by the Constituent Assembly to the reconstruction of the coöperative system, for which purpose the necessary laws were passed and substantial grants made. The stabilizing of the Latvian currency was a very vexed problem, but the difficulty too was surmounted in due course. At length Latvia was recognized de jure by the Great Powers on January 26, 1921 and, on September 22 of the same year, was admitted into the League of Nations.

The Constitution and the first two Parliaments (Saeima).

On October 7 and 8, 1922 the Latvian nation elected its first Saeima (Parliament) on the strength of the Constitution of February 15, 1922.

According to the Constitution, Latvia is an independent democratic Republic. The executive power is vested in the Saeima, whose 100 members are elected by the people. Every citizen of Latvia, possessing full civil and political rights, is entitled to vote and to alter the list of candidates. Elections are proportional. Provision is made for plebiscites in certain cases. The Saeima passes laws, ratifies treaties and determines the administration of public revenue by means of the State budget. The Saeima elects the President of the Republic for a term of three years. The President represents Latvia in international relations and is the head of the Army. In the President is also vested the right of amnesty and legal initiative. Apart from these rights the President has only limited authority. He cannot dissolve the Saeima nor may he postpone the publication of a law for more than two months.

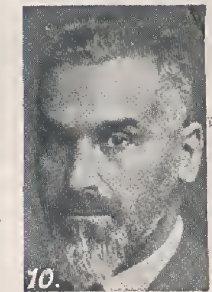
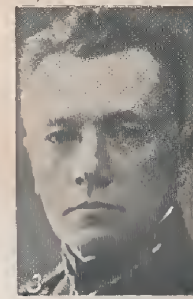
The Cabinet of Ministers is responsible to the Saeima. The Saeima has its own internal administrative order in accordance with which the activities of the presidency, the interfractional bureaux and the commissions are conducted. The codification department is attached to the secretariat of the Saeima. All speeches are stenographed. The meetings of the House are public.

The first Saeima of Latvia, in the election of which 99% of all electors took part, worked from November 7, 1922 to November 4, 1925 and continued organizing the affairs of the State by passing a number of important laws, including laws governing unions, assemblies and the press. Seventythree percent of electors participated in the elections of the second Saeima, which took place on October 3 and 4, 1925 (the first Saturday and Sunday in October). There was a marked non-socialist majority of 63%, including the

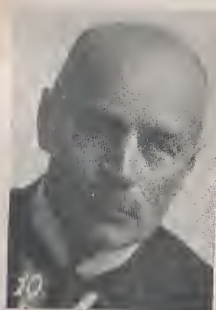
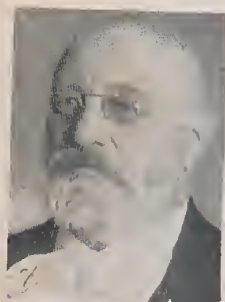
non-socialist minority deputies (16%), in the present Saeima. Unfortunately, the large number and the splitting up of parties is detrimental in its effect on the State organism. In the present Saeima, for instance, no fewer than 22 parties are represented, which may be ascribed to the hastily drafted election law. However, there has been a marked tendency lately to form party blocks, which is a healthy sign.

Parties in the Saeima.

Party (Leader)	1925-28 No. of Members	%	1922-25 No. of Members
Socialists		37	
Social Democrats . . .	31		30
(R. Bihlman, P. Clejens, Dr. P. Menders, J. Ruliks, Dr. P. Kalnins).			
Latgal. Soc.-Dem. . .	1		—
(J. Opyncans).			
Soc. Jewish „Bund“ . .	1		1
(W. Maisel).			
Moderate Soc.-Democ. .	4		7
(M. Skujenieks, V. Holzmanis, R. Lindbergs).			
Lettish Non-socialists		48	
thereof Farmers		36	
(Radical Bourgeois).			
Radical Democrats . . .	1		—
(K. Dablers).			
Democr. impartial . . .	1		—
(M. Krievs).			
Democratic Centre . . .	3		6
(J. Breikschs, P. Jurashevski, A. Evans).			



Members of the Saeima: 1. K. Ushakov 2. A. Bergs 3. Gen. J. Balodis 4. R. Kalnins 5. M. Skujenieks 6. J. Ruliks 7. J. Breikschs 8. W. Maisel 9. Dr. P. Menders 10. M. Krievs 11. V. Holzmanis 12. J. Opyncans 13. P. Clejens 14. Dr. P. Schiemann 15. R. Bihlman 16. F. Cielens



1. J. Rainis, Poet 2. Dr. J. Endzelins, Philologist 3. M. Arons, Editor 4. A. Brigader, 5. K. Kalnin, Publicist 6. E. Benjamin, Publisher of „Jaun. Sinas“ 7. J. Vitols, Composer 8. A. Baritone 9. V. Purvits, Painter Poets & Novelists: 10. J. Akuraters 11. K. Skatbe 12. E. V.

Party (Leader)	1925—28 No. of Members % (Farmers).	1922—25 No. of Members %
Latgal. Progressive People's Party . . . (J. Trasuns).	2	4
Democ. Latgalians . . . (A. Dzenis).	2	4
New Farmers (O. Nonac	3	3
Devastated Areas . . . J. Goldmanis).	1	1
Farmers' Union . . . (K. Ulmanis, A. Klive, A. Alberings, H. Cel- minsch, A. Kviesis).	16	16
Young Farmers . . . (A. Blodnieks).	3	—
Latgal. Farmers . . . (J. Rubuls).	2	1
Latgal Independent . . . (F. Login).	1	—
Latgal. Catholic and Christian Farmers . . . (Bishop J. Rancans).	5	3
Lithuanian Christian . . .	—	1
Lithuanian Farmers . . . (K. Kvelbergs).	1	—
(Bourgeois).		
National Centre . . . (A. Bergs, R. Kalnings)	3	4
Christian National . . . (Dr. G. Reinhardts).	2	4
Party for Peace, Order and Production (J. Amus).	1	—

Party (Leader)	1925—28 No. of Membres % (Minorities)	1922—25 No. of Membres %
Minorities	16	10
German (Dr. P. Schieman, Baron W. Fircks, J. Hahn)	5	6
Jews	4	5)
(1) Agudas Israel (Union of Israelites) (M. Dubin, R. Vittonberg)	2)	2)
(2) Misrochi (The East), (M. Nurok)	1)	2)
(3) Celro Clon (New Zion) (Prof. Laserson)	1)	1)
Poles (J. Verzbicki, J. Vilpizewski)	2	1
Russians	5	3
(1) Orthodox (Archbishop J. Pommer, E. Tichonicki)	2)	—)
(2) Old Believers, (Prof. Jupatow, M. Kalistratow)	2)	1)
(3) Intellectual Russians L. Schpoljanski)	—)	1)
(4) Russian National Democrats	1)	1)

Presidents of Latvia.

J. Chakste, Professor, Doctor of Laws, President of the Republic from the inception of Latvia until his death in March 1927.

G. Zemgals, former Vice President of the National Council, Member of Parliament and Minister of War, elected President of the Republic in April 1927. Born 1871.

Presidents of the Latvian Saime.

Fr. Vesmanis (Social Democrat), 1922-25.
Dr. P. Kalninsch (Social Democrat) since 1925.

Prime Ministers of Latvia.

K. Ulmanis (Farmers' Union) from 18.XI. 1918 — 18.VI. 1921
Z. Meierovics (Farmers' Union) " 19.VI. 1921 — 26.I. 1923
J. Pauluks (Impartial) " 27.I. 1923 — 27.VI. 1923
Z. Meierovics (Farmers' Union) " 28.VI. 1923 — 26.I. 1924
V. Zamuels Democ. Centre) " 27.I. 1924. — 18.XII. 1924
H. Celmins (Farmers' Union) " 19.XII. 1924. — 23.XII. 1925
K. Ulmanis (Farmers' Union) " 24.XII. 1925 — 5.V. 1926
A. Alberings (Farmers' Union) " 6.V. 1926. — 17.XII. 1926
M. Skujenieks (Moderate Social Dem.) " 18.XII. 1926. — 23.I. 1928
P. Juraševsky Democr. Centre) " 23.I. 1928. —

Flag, Coat of Arms, Orders and National Anthem. The national flag of Latvia is red-white-red (proportion two-fifths, one-fifth, two-fifths), and is a revival of the old Latvian banner, referred to in the chronicle in verse. The ensign of the President and of the Army is a red-white-red cross on a white field. In the centre of the President's ensign in the State coat of arms.

The Latvian coat of arms consists of an ornamented shield borne by a lion and a griffin. Atop the shield is the semi-circle of a rising sun on a blue field. On the right quarter below is a silver griffin rampant on a red field; and on the left a red lion rampant on a silver ground. Above the shield are three gold pentagrams denoting the three united provinces of Latvia, viz., Kurzeme, Zemgale (Courland-Semgallen) which were once a united duchy, Vidzeme (Livland) and Latgale (Lettgallen). The heraldic figures are also based on the old escutcheons of these provinces.

As a reward for distinguished military service, a military order was established. This decoration, which is dedicated to the legendary national hero Lacplenis (Bear-Killer), consists of a fylfot cross on a red-white-red ribbon (three classes). The civil Order of the Three Stars is a white cross with golden nimbus on a blue ribbon with gold border (five classes). This is a revival of an interesting historical memory, viz., the Order „de la reconnaissance“, a white cross on a blue ribbon, established by Duke Friedrich of Courland in the year 1710.

K. Bauman's popular hymn „Dievs, sveti Latviju“ („God Bless Latvia“) is recognized as the national anthem of Latvia.

Capital and towns. Riga is the capital of Latvia and the seat of the principal State institutions. The leading public, economic and cultural organizations are concentrated in Riga. It is noteworthy that Riga is over 900 years old, for Henry the Latvian refers to Riga as „the old harbour by the high hill“. This hill, which was known as Kube hill was seen by the ethnographer J. Brotze at the end of the 18 century. It stood where the esplanade is now located. Atop that hill stood once the castle of the Livic King Kaupo.

German merchants and Bishop Albert established their fortified residence at this old seaport in 1201, which is therefore regarded as the year of Riga's official foundation.

There are several other old towns in Latvia, as Jelgava (Mitau) the capital of the former Duchy of Courland-Semgallen, Kuldiga (Goldingen) the capital of ducal Courland, and Piltene (Pilten) the residence of the Bishop of Courland. In the days of the Order, Kuldiga was known as „Jesusburg“ (corresponding to Marienburg in Prussia). Jelgava is famous for its ducal castle which, like the Winter Palace in St. Petersburg and the castles of Svete (Schwedhof) and Rundale (Ruhental) in Latvia, was built by Rastrelli. Count Ludwig of Provence, later King Ludwig XVIII of France, spent some time at Jelgava Castle as an emigrant. The Bermondts set fire to the beautiful castle in 1919. It is now being repaired and renovated.

Many rare objects, as old paintings, antiquities, the rare finds of various excavations, a collection of masonic insignia, one of Napoleon's bookcases, the portraits of all Polish Kings and even a Greek marble statue are displayed in the Courish provincial museum at Jelgava (Mitau). Up to the year 1702 Kuldiga (Goldingen) was the capital of Courland. The unfortunate „King of Livonia“, Prince Magnus of Denmark, resided at one time in Piltene by the grace and at the mercy of Ivan the Terrible. At Piltene convened once the Diet of that almost independent region, which had its own judicial code.

Administrative Division. Latvia is divided into four provinces, viz., Kurzeme with its capital Liepaja (Libau), Zemgale (Jelgava-Mitau), Vidzeme (Riga) and Latgale (Rezekne-Rositten). These provinces are divided into nineteen administrative divisions with a principal city in each district and altogether 524 rural communes. There are prefectures in Riga, Liepaja and Daugavpils (Dvinsk). The towns enjoy self-governing rights and the town councils are elected once every two years. The district and town councils are elected in accordance with the district and town constitution. The councils administer local affairs. The police force and the militia organizations of volunteers,

both subordinate to the Ministry of the Interior, keep order in the country.

Jurisdiction. Latvian courts are independent institutions and comprise courts held by justices of the peace, four district courts (Riga, Liepaja, Jelgava and Daugavpils), a court of appeal in Riga and the Senate. The old Baltic provincial law and partly also the Russian law are still in force in Latvia. At present, the laws are being revised and published in the Latvian language. To the district courts are attached the organizations of barristers and notaries public. All laws are published in the „Valdības Vestnesis“ (Government Gazette) and in special codes. Local courts operate in the country. The court martial and maritime court operate on the strength of special laws.

State Administration. Apart from instructions governing the organization and activities of the Council of Ministers, there is no permanent ministerial constitution in Latvia. The President of the Republic entrusts the forming of the government to a personage who endeavours to procure a parliamentary majority, whereupon the cabinet obtains the requisite vote of confidence in Parliament. During the parliamentary recess, the cabinet of ministers is entitled to issue laws, except such as affect the budget.

The government consists of the prime minister and nine ministers (Foreign Affairs, War, Interior, Education, Justice, Public Welfare, Finance, Agriculture, Transport). The State Controller, elected by Parliament for a term of three years, is also a member of the government. Up to January 23, 1928, on which day the cabinet of P. Juraševsky entered office, Latvia had had twelve cabinets, five of which were formed by K. Ulmanis, two by the late Z. A. Meierovics, one by J. Pauluks, one by V. Zamuels, one by H. Celminsch, one by A. Alberings and the cabinet of M. Skujenieks a member of the Moderate Socialist Party.

The affairs of the Cabinet of Ministers are administered by the State Chancery (Director D. Rudzits), to which office the Latvian Telegraph Agency (LETA) and the editorial department of the Government Gazette („Valdības Vestnesis“) are subordinate. Laws and regulations are published in the latter organ. At the head of every ministry is the Minister, assisted by the Secretaries of State, appointed according to necessity, as for example the Secretary of State for Latvian affairs. To the ministries are attached various councils or advisory committees for dealing with economic and financial questions, art, supplementary education, military and foreign policy, with the participation of representatives of competent organizations and other experts. The ministries are divided into departments, administrations and sections.

The Ministry of Foreign Affairs has two departments, viz., the political-economic, which is under the Secretary General of the Foreign Office, and the administrative-juridical. The political sections are as follows: the East and West section, Baltic States section, the League of Nations section and the Press Section, which follow the political-informatory activity of Latvian diplomatic representatives. The diplomatic-consular service was regulated by a special law in the year 1923. On the strength of this law the officials of the Foreign Office are ranked in the universally accepted grades as laid down in the so-called „Vienna Protocol“ (Minister Plenipotentiary, Counsellor, Secretary, Attaché and so forth). The consular service is supervised by the administrative-juridical department with its sections (administrative and protocol section, jurisconsult, cipher, courier and economic section). Consuls General and Consuls are appointed by the Cabinet, Ministers by the President of the Republic, who is advised by the Foreign Minister in concurrence with the foreign commission of Parliament (Saeima).

In accordance with the Constitution, the foreign policy of the country is conducted by the Foreign Minister, whose

principal assistant is the Secretary General. The Cabinet has established a special commission for drafting treaties for conclusion with foreign countries. The Foreign Office publishes the „List of the Diplomatic Corps“ and extracts from the Latvian Press in the French language.

To the Ministry of War are subordinate the Commander in Chief of the Army with his Staff, as also the General Staff, which is divided into an administrative and a mobilization section. The Army Commander is responsible for the proper training and the preparedness of the army. The General Staff is responsible for supplying the needs of the army. To the latter are attached the commissariat, the sanitary board, the topographical section and court martial. The Ministry of War publishes the daily newspaper „Latvian Warrior“ („Latvian Warrior“) and periodical literature dealing on military science.

The Ministry of the Interior is divided into: (1) the administrative department (Press and Assemblies section, section for internal and frontier security, section for defence corps, Passport section and building administration) and (2) the self-government department (Land-, Emigrants- and Refugees section, war losses commission and the clerical board). To the Home Office are also subordinate the central criminal police, the prefecture, the district chiefs and the Riga police school.

The Ministry publishes its own official organ „Iekšlietu Ministrijas Vestnesis“ („Home Office Gazette“).

The Ministry of Education embraces the secondary and elementary school administrations, the sections for minority schools (German, Russian, Jewish, Polish and White Russian school administrations), the section for educational means, the Memorial Board and film censorship. The Ministry of Education supervises the activity of the University and schools maintained by autonomous bodies. It also controls educational efforts outside the schools, the museums, art and private

educational institutions. The State Library, the State Archives and the State Theatres are under the control of the Ministry of Education, which also supervises the activity of the Teachers' Seminary.

Its organ is „Izglitibas Ministrijas Menešraksts“ („Monthly Journal of the Ministry of Education“).

The Ministry of Public Welfare is divided into three departments, viz., the department for labour protection, (with sections for labour insurance, tariffs, labour inspection, public work and sickness funds), the department for social institutions (ambulances, orphanages, homes for the blind) and the health department (pharmaceutical board, leper-houses, lunatic asylums, sanatoria and the State sulphurous hydropathic establishments at Kemeris (Kemmeris) and Īldone. The health department also controls practising physicians, private clinics and hospitals.

The Ministry of Justice supervises the activity of the courts of justice, notaries public and land registrars, as also the affairs of solicitors. In his capacity as State Attorney General the Minister of Justice controls the procurator and prison matters.

The Ministry publishes a journal of its own entitled „Iekšlietu Ministrijas Vestnesis“ („Gazette of the Ministry of Justice“).

The Ministry of Finance conducts all matters pertaining to credits, the State Budget, State debts, State enterprises, Banks, Customs, taxation, commerce and industry. The Marine Department and the Ports Administration (including the Hydrographical Section, pilot office and the administration of lighthouses and government vessels) are subordinate to the Ministry of Finance, which also supervises the gauging office, the patent office and the assayer's office. Direct and indirect taxes are dealt with at the Tax Department. The Economic Department of the Ministry embraces the following

sections: Trade and Banking section, flax monopoly board, industry section, insurance section, budget and administrative section. The Ministry of Finance supervises the private banks, Exchange Committees and the activity of industrial undertakings. The Customs institutions are embraced in the Customs Department. The Minister of Finance regulates the activity of the Bank of Latvia, the State Land and Mortgage Banks.

The Ministry publishes an economic journal entitled „*Ekonomists*“.

To the Ministry of Transport are subordinate the railways, post and telegraph, radio, telephone, roads, highways and waterways, which are managed by competent sections. The Ministry also operates large workshops.

The Ministry of Agriculture is divided into the following departments: the department of agriculture which administers the State lands, surveying operations, valuation, corroboration and cultural-technical affairs. The department for cultivation deals with matters pertaining to horticulture, fisheries, agriculture and stock farming. To this administration are attached the Board of Works, the Meteorological Bureau and the Section for the Control of Export Butter. With the assistance of 58 main foresters, the Forest Department supervises the process of afforestation and the rational exploitation of the forests.

The Minister of Agriculture is simultaneously Chairman of the Central Land Allotment Committee, which is composed of three Members of Parliament, one municipal representative, one rural representative and five members appointed by the Cabinet. This Committee gives effect to the agrarian reform and publishes the „*Zemes Iericibas Vestnesis*“ („*Gazette of the Land Allotment Committee*“).

The Board of Statistics is subordinate to the Ministry of the Interior. It collects statistics of the whole country and takes a census of the population every five years (1920, 1925 and so forth). The Board of Statistics makes inquiries

into all economic branches of the Republic and publishes the results scientifically compiled in the form of annual reports and monthly bulletins (also in German).

The State Control is an independent institution, comprising the department for preliminary revision and that for final revision. None of the State's requirements may be fulfilled without the approval of this institution, which is also entitled to control the activity of the State apparatus from the standpoint of economy and utility.

The activity of the Ministries is regulated by special instructions, laws and regulations.

The rights and obligations of State officials are laid down in the Civil Service Law and other similar laws.

The State organism embraces, apart from the actual administrative apparatus, a number of economic undertakings, as railway workshops, forests, electric power stations, the flax and spirit monopoly, the State printing office etc. This accounts for the large number of State employees, including post and telegraph officials, police clerks, teachers, judges, high school teachers, foresters and others. It should be observed that the State's economic undertakings are self-sustaining and remunerative. In reality, the number of officials actually engaged in the administrative institutions of the State is not at all so large, being about 3,800 only. The officials are entitled to a pension after a certain period of service. Salaries are graded in 20 categories.

Diplomatic and Consular Service. Latvia has been recognized by all countries of the world. Latvia has extensive diplomatic and consular relations with foreign countries, through the medium of more than 190 representatives abroad i. e., Legations, Consulates General and Consulates. Some of the Consulates are maintained by the State, but most of them are honorary posts filled by citizens of the respective countries who have undertaken gratuitously to protect Latvian interests abroad and promote economic

relations with Latvia. The honorary consulates are, in many cases, provided at their own expense with secretaries deputed by the Latvian Foreign Office.

There are Legations in all big centres as Berlin, London, Moscow, Paris, Rome (also at the Vatican), Stockholm and in all the Baltic States. This representative service is being continually extended and the number of diplomatic and consular representatives will exceed 200 in the course of the current year. It may be observed that Latvia has honorary Consulates also in Japan, the Far East (Charbin), Mexico, Malta and other distant places. Particularly dense is the consular net in Germany and England, with which countries Latvia's economic relations are exceedingly brisk. There are also Agricultural Attachés at some Legations, as in Berlin, London and Moscow.

Treaties. Since its proclamation in 1918, Latvia has concluded 222 treaties relating to commercial, juridical, transport and other matters. Special Post and Telegraph Conventions have been concluded on a more intimate basis with Lithuania and Estonia. Passport and visa formalities have been abolished in traffic with Estonia and Finland. The visa has also been abolished in traffic with Italy and Austria. A special commission, composed of Members of Parliament and representatives of competent economic circles, has been established for drafting commercial treaties. The Minister of Foreign Affairs is chairman of this commission. The Latvian Government pays particular attention to the establishing of close economic relations among the Baltic States, for which purpose several conferences have taken place. The preliminary agreement regarding an economic and Customs union between Estonia and Latvia, which was signed at Reval on November 1, 1923, was followed by deliberations on practical issues. The latter deliberations led to an agreement between the two Governments at a conference in Riga from January 14 — 16, 1927, on the principle of a Customs Union to be realized in three or four years' time.

This agreement was signed on February 5 and ratified on April 8, 1927.

Latvia's commercial treaties are based mostly on the most-favoured-nation principle; but there is a special clause which provides for the granting of privileges over and above the most-favoured-nation principle to the neighbouring Baltic States and Russia. This clause has been accepted by all Great Powers. Apart from commercial treaties, various juridical conventions and arbitration agreements have been concluded with the Baltic States. In this connection, a special importance attaches to the arbitration agreement between Latvia, Finland, Estonia and Poland, done at Helsingfors in 1925. The regulating of the frontiers between Latvia and the neighbouring States of Estonia and Lithuania was accomplished by two arbitration commissions, one under Colonel Tallents, the other with Professor Simpson as arbitrator.

Foreign Policy. Latvia's foreign political aspirations are characterized by the desire to conserve and strengthen peace by creating an union of the Baltic States, by coöperating with the League of Nations, maintaining cordial relations with all countries and, especially, with the neighbouring States, and by facilitating transport and traffic between Russia and Western Europe. For this purpose, the Baltic States have held several conferences, whereby Latvia has always been most responsive and lenient in the conclusion of different transport and transport treaties. Latvia's general relations to Russia are regulated by the treaty of peace signed on August 11, 1921, while the economic relations are based on the Treaty of June 2, 1927.

The late Z. A. Meierovics (born 1887, died 1925), Latvia's first Minister of Foreign Affairs, rendered meritorious services in conceiving and directing the foreign policy of the Republic.

Foreign Representatives in Riga. The following countries have permanent diplomatic and consular representatives

In Latvia: The United States of America, the Baltic States, Belgium, Czecho Slovakia, Denmark, Finland, France, Germany, Great Britain, Italy, Poland, Russia, Switzerland, Sweden etc. The diplomatic corps numbers about one hundred persons. Some of these diplomatic missions have houses of their own in Riga, as Estonia, Germany and Russia, just as certain Latvian representatives abroad reside in their own premises (in Reval, Berlin, London, Warsaw and Paris).

Like other institutions, the Ministry of Foreign Affairs publishes an annual report, which reveals the magnitude and the importance of its work, from an international point of view.

The Army. Peace in Latvia is jealously guarded by an alert and efficient national army, which came into being amidst many vicissitudes in the field of battle. Companies of Latvian students and officers were the first national unit which formed the nucleus of the army. The Latvian Army can look back with pride on many famous victories. It has also made heavy sacrifices, especially during the Great War when the Latvian divisions lost 32,000 men and many officers including the notable warrior Colonel Briedis who was murdered by the Bolsheviks. Later too, during the war of independence, heavy losses were sustained, for thousands of soldiers made the great sacrifice, prominent among whom was Colonel O. Kolpak, the first Commander in Chief of the Latvian Army. In the war of independence the Latvian Army, as has been observed, advanced in close coöperation with the Estonian and Polish Armies and with the Naval Forces of the Allies. This coöperation had a speedy and decisive effect on the struggle with the Bolsheviks and Bermond. Peace having been restored, the process of military organization was resumed. The army numbers four divisions at present. The naval forces, comprising some submarines and hydroplanes as well as air and coast defence, are well organized (Admiral Count Kaiserling). Special attention is

paid to technical equipment and training. Tanks are also possessed. In the organizing of the army great credit is due to General P. Radzinsch, who was Chief of the General Staff during the war of independence, and is now Commander in Chief of the Army. There is compulsory military service in Latvia, to which every male of 21 years of age is liable, the period of service being 18 months. There is a military school for the training of officers. Latvian officers are deputed abroad to acquire higher military education. There are Latvian Military Attachés in the neighbouring States. It is noteworthy that great importance is attached to sport and hygiene in the army, for keeping the soldiers fit and healthy.

There are no fewer than 52 sport organizations in Latvia, which prepare the young people for military service. Sport is also very popular and well organized among the working classes. There are various patriotic unions and national organizations („Aizsargi“ — Latvian defence militia, „Vanagi“, Tēvijas Sargs“ — etc.). During the war of independence, the army was greatly assisted by the women's corps, which organized sanitary relief in conjunction with the Red Cross.

Churches and Religion. In regard to religion, 57.2% of the population of Latvia are Lutherans, 22.59% Roman Catholics, 9% Greek Catholic, 4.8% Old Believers and 4.5% Moslems. There is also an Anglican and a Methodist Church in Riga. There is religious liberty in Latvia and the churches are autonomous. The latter receive support from the State, for which special provision is made in the budget. Each church has its own chief dignitaries, Archbishops or Bishops as the case may be. The Latvian Bishop is Dr. K. Irbe. Archbishop A. Springovics is at the head of the Roman Catholic Church in Latvia (in accordance with the Concordat concluded with the Holy See on May 30, 1922). Archbishop

Jānis Pommers is at the head of the Orthodox Greek-Catholic Church in Latvia. Synods are held at regular intervals. The separate churches have councils of their own. Special seminaries and the Lutheran-theological faculty of Riga University educate and prepare men for the Church. The Ministry of the Interior supervises all clerical affairs.

In regard to religion, practically the whole of Kurzeme (Courland), Vidzeme (Livland), and Zemgale (Semgallen) is Lutheran, while the Roman and Greek Catholics prevail in Latgale (Lettgallen), the Greek Catholics embracing both the Old Believers and the Orthodox denominations. The Mosaic Creed is represented principally in the towns. There are also some Mohammedans in Latgale. Religious literature is very widely circulated in Latvia. Some poets and artists have been endeavouring lately to revive the mythological religion of the ancient Latvians. Numerous sects, as the Salvation Army for instance, have obtained permission to operate in Latvia. Marriages and births have to be registered at the registrar's office, though this does not affect the legality of marriage and baptism completed in the Church.

Education and Culture. Already before the war, Latvia's leading sons (especially those who were grouped around the Riga Latvian Union and the Educational Society) laid stress on the importance of Latvian schools, and with great determination they resisted the efforts of the Imperial Government towards russification. However, the opening of purely Latvian schools was always attended with great difficulties, especially in regard to intermediate or secondary schools, of which there were but a few before the war. Conditions improved somewhat after 1905. Despite these adverse school conditions, the number of those who could read and write attained 90% (in Kurzeme and Vidzeme even 100%) before the war.



- 4. Anti-aircraft guns
- 5. Tanks
- 6. Artillery
- 7. Latvian Warships
- 8. Military airplanes over Riga



Landscapes: 1. Sigulda 2. Aglona in Latgale 3. Majori, Hotel 4. Edinburg 5. Lielasja-Spa 6. Baldone Hotel 7. Peasant Girls 8. Old Farm 9. Hilly Livonia 10. Ogre-Valley 11. New-Farm 12. Peasant House 13. Rafts on the Daugava

Today, of course, there is quite a different culture policy in this area. The Government of Latvia attaches great importance to national education. Already in 1919 the School Law was one of the first laws passed. That law also grants autonomous school rights to the national minorities, i. e., allowing the necessary schools and special administration for the different national groups of the population. Illiteracy is noticeable only in Latgale, but is steadily declining even there, as school attendance is compulsory. Every child, from 6 to 16 years of age, unless taught at home, must go to school.

Primary and Intermediate Schools. Not only the Government, but also the communal self-governing bodies are solicitous for the welfare of schools. The school net has been extended systematically, with due regard to hygienic requirements and educational equipment, all of which was evacuated by the Russians during the war. Teachers are educated and trained at special institutes, seminaries, courses and at the University. Especially in the country, the teachers take an active part in public life.

In the scholastic year 1926—27, there were in Latvia already 1921 primary or elementary schools (as against 1265 in 1920) with 7403 teachers and 164,954 pupils, so that there was one school to every 995 inhabitants. There are 132 intermediate schools for secondary education (as against 65 in 1920) with 2405 teachers and 17,365 scholars, so that there is one such school to every 14,641 inhabitants. Of no less importance are the industrial schools (64), especially the agricultural schools, of which there are 44, as against only 4 in the year 1920. The teachers engaged in agricultural schools numbered 136 in the scholastic year 1926—27. There are also in Latvia various schools for housekeeping, horticulture and apiculture. There are technical schools, for imparting technical education. The number of industrial schools is, however, still insufficient, and the

Government is doing the utmost to promote this particular branch of the school system. There are special schools for dealing with backward children.

The following table is illuminating as to the distribution of primary and secondary schools among the different groups of the population in the scholastic year 1925—26:

Nationality.	Primary schools.	Pupils.	Teachers.	Secondary schools.
Latvians	1,414	127,761	4,830	65
Great Russians	205	15,344	719	11
White Russians	32	1,940	89	2
Germans	88	9,365	541	12
Jews	71	10,184	609	21
Poles	22	3,015	191	4
Lithuanians	9	890	52	1
Estonians	6	247	15	—
Others	50	3,453	181	5
	1,891	173,099	7,227	121

The statistics for the year 1927 show one secondary school to every 26,551 Latvians, 17,044 Poles, 15,444 Russians, 7,076 Germans and 5,035 Jews.

School attendance in the different educational institutions in the scholastic year 1927—28 is indicated thus:

Category	Pupils and Students
Primary schools	164,954
Secondary schools	17,364
University	7,558
Conservatoire	376
Academy of Art	264
Upper industrial schools	5,713
Agricultural and lower industrial schools	4,332
Adult schools	11,092
Total	211,653

High Schools. Academic education is acquired at the country's University in Riga (Professor Sile, Rector), where there are 11 faculties and 7558 students. Higher artistic training is afforded at the State Conservatoire (Professor J. Vitols, Rector) and the State Academy of Art (Professor V. Purvits, Rector). The present University has evolved from the former Riga Polytechnic Institute, to which the various faculties of science have been attached. Very elaborate is the agricultural faculty with its school of forestry, large laboratories, experimental stations and model farms. In this way, ample provision is made for promoting agromonomical education, which is of such great importance to Latvia. Various scientific societies and institutes are attached to the University. Some eminent foreign authorities also lecture at the University, as for example Professor G. Bakmann (till 1925), Professor R. Vipper and others. The University publishes a scientific periodical of its own entitled „Acta Universitatis Latviensis“. The University is an autonomous institution. Its administration is composed of the Professors' Council in conjunction with representatives of the students. The students are organized partly in corporations and partly in unions. Both sexes are admitted as students in the University.

The following data published by the University are illuminating as to its activities in recent years:

Academic year.	Professors and Docents	Assistant masters	Number of students	Graduates.
1921-22	225	62	4777	67
1922-23	262	87	5440	146
1923-24	289	125	6001	182
1924-25	307	134	6388	116
1925-26	311	131	6747	178
1926-27	313	134	7087	289
1927-28	320	136	7558	309

From the above table it is obvious that, in consequence of the stiff examinations, there is no over-production of aca-

demicians in Latvia. The large number of students is due to the fact that many officials, teachers and private employees, officers and others are supplementing their education. Moreover, the number of female students is large.

Private Educational Institutions. Besides the above mentioned State educational institutions, there are several schools and courses maintained by public organizations. For example, the Agricultural Institute at Priekule, sustained by the Latvian Agricultural Central Union, the German Herder Institute by the Herder Society and so forth. Several public high schools operate on the same basis, two Lettish, one Russian, one Jewish and a People's Conservatoire. There is a number of language institutes, as the Institute of English, (Director Smits, Professor Wilson), a French Lyceum and Italian Institute. The best society of Riga is identified with the Anglo-Latvian Club, which arranges lectures by prominent Britishers and Americans from time to time. There are numerous studios for singing, painting, rhythmic and plastic art. Pharmacy, dentistry and veterinary art are taught at the University.

Supplementary Education. Education without the schools is promoted by a special committee of the Ministry of Education and also by organizations for furthering art and culture, the Central Educational Union, various other adult and juvenile organizations, which are sustained mostly by the "Culture Fund", which accrues from a 3% tax on railway tickets. The council of the Culture Fund is composed of the Minister of Education and members elected by Parliament. Post-school education is also furthered by the State and municipal libraries, the State Museum of Art (Director B. Dzenis) and the Historical Museum (Director M. Silinsch), where there is a collection of Latvian paintings and antiquities and, above all, rich ethnographical treasures of the Latvian nation. Mention may also be made here of the Art Museum of the Town of Riga and the Museum

of the Riga historical and archaeological union. The excellently organized School Museum is attached to the Ministry of Education. The provincial towns as Jelgava (Mitau) and Liepaja (Libau) can also boast of their museums. The Memorial Board is responsible for the care and the archaeological research of historical monuments.

Culture. A rapid development of cultural life is also registered in the country parts. Union halls, libraries and reading rooms have been opened with the help of the Culture Fund. In Riga and Liepaja (Libau) the Culture Fund assists the opera houses and dramatic theatres. Special mention may be made of the original Latvian operas "Uguns un Nakts" ("Fire and Night"), "Dievi un Cilveki" ("Gods and Men"), "Spriditis" ("Tom Thumb") "Vaidelote" ("The Vaidelote") by the brothers John and Joseph Medinsch; "Salinieki" ("The Islanders") by A. Kalninsch, and the ballet "Turaidas Rose" ("The Rose of Turaida") by E. Melngailis. The VI general Song and Musical Festival, which took place in 1926 with the participation of 160 choirs with 6500 choristers, testified to the revival of choral song.

Apart from the afore mentioned intellectual leaders, Latvia has produced a large number of new scientists, publicists, journalists, poets, authors, painters, sculptors, architects, composers, virtuosos, conductors, scenic artists, singers, dancers, actors and actresses.

In chess, Latvia has produced such celebrities as F. Apschenieks and L. Matisons, both victorious at the Paris Olympiad.

Over 1500 books are published every year on all manner of subjects in different languages. In the year 1925, for example, 266 on natural science, 117 religion, 526 literature and so forth, and in the following year 1556 Latvian, 104 Russian, 102 German, 30 English, 6 Jewish and 5 French. Numerous translations are also made every year. Numerous periodicals are published as, for example, "Ilustretais Žurnāls" ("The Illustrated Journal"), "Domas" ("Thoughts"), "Burtņieks"

(„The Scholar“) the coöperative journal „Kopdarbiba“ („Coöperation“), „Latvijas Saule“ („Latvia's Sun“), „Latvju Grāmata“ („The Latvian Book“), „Aizsargs“ („The Militia“), „Zemes Spēks“ („The Strength of the Earth“), „Latvijas Lauksaimnieks“ („The Latvian Farmer“) and many other technical and scientific periodicals with valuable contents. There is also an abundance of almanac literature (96 specimens in the year 1927). Among the different books published lately mention may be made of T. Zeiferts „Latvian Literature“, „Latvian Literary Guide“ by J. Missinsch, „Latvian Archaeology“ by Professor F. Balodis, „Latvian Literary Portraits“ by A. Prande, „J. Brotze's Ethnographical Collection“ by A. Stala, various scientific monographs, „Latvian Ornaments“ a collection of Latvian ornaments etc., with French text by Professor Zarinach, „Dainas“ („Home Songs“) in 7 volumes embracing 218,000 songs and variations collected by Kr. Barons, and anthologies of tales and romance. The complete works of prominent authors are also being published lately. The leading publishing concerns are those of A. Gulbis, „Kulturas Balss“ („The Voice of Culture“), Leta, J. Roze, Walters and Rapa, „Zemnieku Doms“, „Saule“, B. Lamey and others.

The Periodical Press. The centenary of the Latvian Press was celebrated in 1922, the first Latvian newspaper having appeared in the year 1822. No fewer than 262 periodicals and newspapers appeared in the year 1927. The following are the principal newspapers: „Brihwa Seme“ („Free Country“) published by the Farmers' Union, the democratic organ „Jaunakas Sīma“ („The Latest News“), the national organ of commercial and industrial circles „Latvis“ („The Latvian“), the conservative „Latvijas Sargs“ („Latvia's Protector“), the semi-official organ of the Army „Latvijas Karaivis“ („The Latvian Warrior“) the organ of new farmers „Lidums“ („The Clearing“) and that of young farmers „Latvija“; further, „Zemnieku Balss“ („The Voice of the Farmers“) of the Latgallian democrats, and the party organ of the Social

Democrats „Socialdemokrāts“, „Pēdēja Brihdi“ (At the Last Moment“) etc. The following important newspapers appear in the provinces: The conservative „Kursešes Vārds“ („Courland's Word“) and the Labour organ „Strādnieku Apsve“ („The Workman's Newspaper“) in Liepāja (Libau); „Sērgales Balss“ in Jelgava (Mitau); „Latgales Vārds“ („Latgallia's Word“) organ of the Latgallian Christian Farmers in Rezekne (Rositten). Smaller newspapers appear in many other provincial towns, as in Daugavpils (Dvinsk), Kuldīga (Goldingen) and elsewhere. The newspapers often have illustrated supplements. Several illustrated weeklies appear in Riga, as „Atpūta“ („Recreation“), „Jauna Nedēļa“ („The New Week“), the German „Woche im Bild“, the Jewish „Di Woch“ etc.

The minorities also have a notable Press of their own as, for example, the „Rīgasche Rundschau“, the „Libausche Zeitung“, the „Rīgaer Wirtschaftszeitung“, a valuable economic organ, the Russian newspapers „Sevodaya“ („Today“), „Slovo“ („The Word“) and the Jewish newspaper „Frimorgn“. There is also a bi-monthly newspaper „The Riga Times“. A newspaper appears in the Polish language twice a month, and in White Russian, Estonian and Lithuanian once weekly.

There is unrestricted freedom of the Press on the strength of the Latvian Press Law. Even foreigners may fill the responsible post of Editor in chief. There is no censorship. Newspapers may not be forbidden in administrative manner, but charges may be filed against them only in court.

There are many gifted journalists and publicists in Latvia. (See „Die Presse Lettlands“, Compiled by O. Grosberg). Scientists, politicians, men prominent in public and social life, teachers and even ordinary country folk contribute to the daily press. The first congress of authors and journalists convened in 1924. R. Egle is chairman of the Association of Latvian Authors and Journalists; A. Zalts

is secretary. To the Association belongs Sigulda (Segewold) Castle, where a first class pension has been established.

The Association is a member of the International Federation of Journalists Unions and of the International Association of Authors' Societies. There is also a Pen Club in Riga.

A Latvian—Estonian Press Union, after the pattern of the Scandinavian Press Union, was founded on February 23, 1928. The Latvian Press took part in international press conferences and was represented at the Press Exposition at Cologne.

Foreign Press Organization and Facilities. The importance of Riga as an unblamed centre for gleaning Baltic and Russian news is appreciated by foreign newspapers and telegraph agencies, the leading ones of which have their own correspondents in Riga as, for example, Reuter, Telegraph Union, Exchange Telegraph, Tass, Le Temps, the „Times“, „Daily Express“, „Daily Mail“, „Daily News“, „Chicago Tribune“, „Vossische Zeitung“, „Havas“, „Izvestia“ etc., etc. —

The foreign press has its own association in Riga (Chairman M. Segreste, 3a Rupniecibas iela, Riga). Foreign journalists are afforded various facilities. For example, they are exempt from the fee otherwise charged for the sojourn permit. They have the benefit of a 50% reduction of the telephone tariff and, by notifying the Press Department of the Latvian Foreign Office two weeks in advance, they receive on Latvian railways free tickets and other facilities.

The Latvian Telegraph Agency „Leta“ and the Press Department of the Foreign Office. The Latvian Press is supplied with news by the Latvian Telegraph Agency (Leta), of which Mr. R. Berzinsch is Director. The Leta has departments for the publishing of books and the sale of books and newspapers at railway stations.

The Press Department of the Ministry for Foreign Affairs keeps in touch with the foreign Press and supplies Latvian representatives abroad with information.

Social Policy. The democratic character of the Latvian nation and party conditions in the Saeima (Parliament) are reflected on the country's social legislation. Latvia is one of the few countries which include a special Ministry for Public Welfare in its government apparatus, and which have not only ratified all international conventions for the protection of Labour, but have also put them into practice. For example, the law of March 24, 1924 enforcing the eight-hour working-day, the conventions regarding labour hygiene, protection of women and minors, and so forth. Already in the year 1920 the Constituent Assembly passed laws regarding labour insurance, sickness funds and labour inspection. The workmen enjoy unrestricted coalition and strike rights. Special arbitration commissions are appointed to settle differences between employers and employees. The Labour Corporations (trade unions) play a prominent part in social life. The Government and the municipalities endeavour to combat unemployment by establishing labour exchanges and special funds.

Uninterrupted progress is registered in the sphere of social legislation, whereby primary importance is attached to public health and hygiene. The whole territory of Latvia is divided into sanitary zones. An anti-alcohol law was passed in the year 1925, forbidding the sale of alcoholic beverages from Saturday noon to Monday 9 a. m., and on holidays.

The following data are illustrative of the decline both in the production and in the consumption of alcoholic beverages, since the enforcement of the above mentioned law:

Beer (production)	Fruit & Berry Wine (production)	Wine (import)
1925 — 7 million litres	541,703 litres	21,794
1926 — 6 „ „	561,438 „	14,313
1927 — 4,7 „ „	323,475 „	7,025

Spirit (consumption)	Spirit (for liqueur)
1925 — 28 million degrees	1,000,000 degrees
1926 — 25 " "	610,371 "
1927 — 24 " "	535,271 "

The sale of narcotics as cocaine, opium and the like is totally forbidden. An effort is made to combat pornography. Special organizations have been formed for the welfare of children. There are numerous homes for children, and special journals and other literature dealing exclusively with the subject of child welfare.

In the sphere of social legislation mention may also be made of the Pensions Law and the Rent Law, which latter protects tenants by limiting rents and establishing Rent Inquiry Offices. There is a professorial chair for social legislation at the University. A special parliamentary commission deals with all matters pertaining to social legislation. And much space is reserved in the Press for the discussion of social questions.

The Position of Women. Both sexes are legally on an equal footing in Latvia. Women may fill the same posts as men in the service of the State, including the Office of State President. However, this equality is more in principle than in practice, for although the female element constitutes more than 50% of the entire population, not a single woman has yet been elected to Parliament. Only to the communal administrations have women been elected, and even there in limited numbers. The number of women engaged in the liberal professions, as doctors, architects, professors, agronomists, theologians etc., is relatively large. Women are employed in commercial and industrial enterprises and in government institutions.

Perseverance, piety, economy and love of work are the distinctive characteristics of Latvian women. They are able to combine the family instinct with social development. The

Mothers of Latvia are adored in many old home songs. To these good women Latvia is indebted for the many capable and honourable sons, who figure so conspicuously in the political and social life of the nation. There has always been an air of reservedness in Latvian family life. But the spirit of the modern age has not been devoid of influence in Latvian homes, and the women of today figure more conspicuously in Latvian society than they did before. The schools, the University, the Conservatoire and the Academy of Art are all accessible to women. Apart from the social organizations in which women take an active part, there are several women's associations as, for example, the Women's Relief Corps which was established during the war, the National Women's League which combines relief work with the furtherance of popular art, and the Association entitled „Mother and Child“ which strives for child welfare and arranges children's festivals. To some organizations are attached special sections for women. For example, the citizens' defence militia have their own women's sections which are devoted to the nursing of the sick. There are two women's journals in circulation. The leading agricultural unions have established special schools and courses for teaching women housekeeping and needlework.

Unions and Societies. The liberal law in force in Latvia, governing unions and assemblies, has naturally led to the establishment of a large number of unions. As has been mentioned already, unions were popular among the Latvians even before the war, despite the limitations of the Russian law as, for example, the ban on central unions. These restrictions were particularly detrimental to the coöperative, agricultural and educational organizations. They have now been removed, however, and there is in Latvia today a number of central unions embracing the local unions. There is a dense network of unions all over Latvia at present. For example, there is a large number

of scientific unions, viz., a Geographical Society, and the chemists, scientists, biologists, jurists, physicians, surgeons, theologians, architects, antiquaries and librarians all have unions or associations of their own. Among the cultural organizations mention may be made of the League of Nations Society, the Pan-European Union, the Union of Librarians, the Association for Propagating Culture, the Rainis Club, special Esperanto and Philatelic Associations as also juvenile associations, societies for the propagation of Art and Education, theatrical and philharmonic societies, glee clubs and foreign language societies. There is also a large number of sport societies and patriotic unions, national and trade unions, and professional associations as, for example, the Association of Teachers, the professional union of authors and journalists, employees unions, associations of invalids, the Great and the Small Guilds etc. There are also auxiliary societies as the White Cross, the Blue Cross, the Anti-alcohol Society and certain Memorial Funds as the Meierovics and Chakste Endowments. Of importance too are the commercial and industrial associations, Exchange Committees, Chambers of Commerce and various other economic societies, as those of the flax-growers, fishers, millers, stock farmers, horse breeders, further the Economic Society of Latvian Farmers, the Agricultural Central Union of Latvia, the Central Union „Konzums“ etc.

Coöperative Societies. Particularly widespread in Latvia are the coöperative organizations, the founding of which is promoted by the law governing coöperative societies, which was passed by the Constituent Assembly in 1919. The coöperative societies of Latvia sustained losses running up to 200 million gold roubles during the great war. The greater part of the private deposits (about 80 million gold roubles) was stolen by the Communists. These societies had to start again from the bottom after the war; but by the year 1927, there were registered no fewer than

500 consumption societies, over 500 coöperative dairies, 300 agricultural coöperative societies, about 200 coöperative stations for agricultural machines, over 500 cattle breeding societies, 57 piscicultural and 127 apicultural societies, 15 societies for producing selected seeds and various other coöperative societies in operation. There are in Latvia today over 3000 coöperative organizations stimulating activity in the various branches of economic life.

Associations of Minorities. Through their own economic and cultural unions the national minorities issue their own journals and pursue scientific research. Among the noteworthy associations of minorities mention may be made of the Company of the Black Heads (so called after their patron Saint Mauritius, who was a Moor, which accounts for the Negro's Head on their coat of arms), further the Union of Riga Artisans, the Historical and Antiquarian Society, the Natural Science Society and many other unions and associations. The minorities also have their own scout organizations and numerous choral unions and glee clubs. In general, unions and associations are more widespread among the Germans than among Russians and Jews; but every national group has its own educational, pedagogical, theatrical and art societies.

Associations of Foreigners. There are many unions of foreign communities in Riga, embracing separately the Lithuanians, Estonians, Scandinavians, Austrians, Swiss, Germans (including a German Republican Union), British (the British Club) and Americans. (The American Luncheon Club). There are also societies devoted to the fostering of relations between Latvia and foreign countries as, for example, the Latvian—Lithuanian, Latvian—Czechoslovakian, Latvian—Polish, Latvian—French and Latvian—Swedish Friendship Societies. In this connection mention may also be made of the Anglo—Latvian Club and the Alliance française.

The foreign community has its own tennis club (Circle des Etrangers) in the gardens adjoining the Latvian Officers' Club, and a golf club. Mr. Arthur Macpherson, who has done so much to promote sport in Latvia, is the founder of a new football club „The Riga Wanderers“, and is arranging for British amateur teams to visit Latvia.

This short resumé suffices to reveal the progress made in Latvian social life, which tends to dispel the spirit of particularism hitherto peculiar to the Latvians.

Hygiene. The Health Department of the Ministry of Public Welfare supervises the chemists, hospitals and asylum physicians and sanitary officers, as also hygienic conditions in town and country. The hospitals receive monetary support partly from the State and partly from the commune. Certain organizations have hospitals of their own.

All industrial workers, officials, employees and persons working for their living are compulsorily members of Sickness Funds, which embrace 234,000 persons altogether, including the dependent members of families. The sickness funds, 44 in number, have their own doctors and dentists and pay the cost of medicine and treatment. Unfortunately this excellent provision has not yet been extended to the rural population. Particular attention is paid to labour hygiene in factories, workshops and other places of employment.

Latvia has ratified a number of international conventions regarding the rights of labour, tending in particular to safeguard the health of workers. On the strength of these conventions, instructions and directions have been drafted affecting accommodation, the employment of raw materials and so forth. Rigid precaution is taken against contagious disease. Every such case has to be registered, whereupon the patient is isolated. There are special sanatoria for persons suffering from consumption, leprosy and venereal

diseases. There are also lunatic asylums, homes for the blind and a Pasteur Institute.

The Latvian Red Cross is doing great work in the sphere of public hygiene. This organization has arranged courses of instruction for nurses. It maintains its own hospitals and ambulances, and its assistance is immediately summoned in urgent cases. There is no lack of medical men and personnel in Latvia, but there is a lack of well organized hospitals in the provinces, with the necessary up-to-date equipment and instruments for performing operations. There is also room for improvement in veterinary surgery in the provinces.

In conclusion, it may be observed that the League of Nations has established in Liepaja (Libau) a quarantine station for emigrants. In his book (Public Hygiene in Latvia, Geneva 1925) Dr. Cazeneuve who, in behalf of the League of Nations, made a study of sanitary conditions in Latvia, described the same as satisfactory.

Curative Baths, Health Resorts and Watering Places. Latvia possesses hydropathic establishments at the sulphurous springs of Kemeris (Kemmeren), Baldone and Kandava (Kundau). Principal among the atmospheric and strand resorts are the Livonian and the Courish Switzerland, the Riga Strand, the Liepaja (Libau) Strand, Bernatien near Liepaja, Oger and the picturesque landscapes in Latgale (Lettgallen). Rheumatic complaints, osteological diseases and women's diseases are treated in Kemeris (Kemmeren). A specialty is made in the treatment of rachitis in Livonian Switzerland (Krimulda), and various other organic diseases are treated with success in the mud-baths at Liepaja (Libau).

Latvian health resorts have a great future. If enlarged and properly equipped, they will be able to impart health and recreation to hundreds of thousands of persons, and thus become an important source of revenue for the State.

The curative baths at Kemerī (Kemmer) and Baldon belong to the State and are now being renovated and improved. As the means of communication are still deficient and there is room for much general improvement, it is proposed to create a central administration for health resorts subordinate to the Ministry of Public Welfare. Of the private societies engaged in this particular sphere, the Riga and Liepaja (Libau) Strand Associations are noteworthy.

Very popular in the northern countries are the international summer and ice yachting tournaments in Riga and Liepaja (Libau). Latvia is also an ideal fishing ground. Its waters abound in all kinds of fish, which is a great attraction to numerous foreign lovers of this sport.

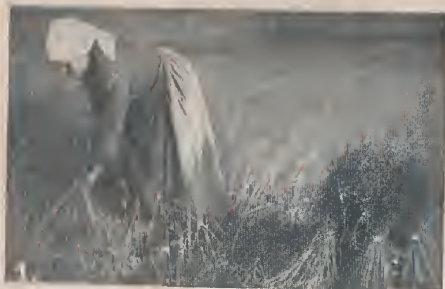


Activity in the Ports of Latvia:

- 1 The outer-harbour of Liepaja (Libau)
- 2 Grain Elevator at Ventspils (Windau)



- 3., 4., 6. Latvia exports yearly: 250,000 stds of dif. timber, about 25,000 tons of flax, 11,000 tons of butter etc
- 5 Harbour of Riga
- 6 Splendid Yachting possibilities in the Gulf of Riga



Country Life:

1. Flax cutting
2. Separating seeds.
3. Return of a fishing boat
4. Pastures



5. Canning lamps
6. Carpet weaving the National mens League
7. Typical Mill in Latvia (Courland)

III. POLITICAL ECONOMY.

General Observations. As mentioned before, Latvia's political economy had to be reconstructed in conjunction with the creation of the State. Large sums of money had to be invested in the economic structure, new funds had to be accumulated, new means of production and supplies of raw materials had to be procured, the internal market had to be reorganized and an effort made to recover foreign markets. It may safely be said today that these difficulties have been overcome. And in consequence of the successful process of restoration, Latvian merchants and manufacturers are able to adapt themselves to the new, existing conditions in the world market. In regard to agriculture, the question of proprietary rights in respect of landed property claimed primary attention. It was necessary to enforce the agrarian reform, which may now be regarded as accomplished.

Prospects and Possibilities. The political economic tendency in Latvia is influenced by the possibilities of development, which are rather limited. The creation of heavy industries is discouraged by the lack of raw materials, especially coal and ore. Consequently, successful development may be expected only in such branches of industry as consume and elaborate local raw materials. However, owing to the scarcity of funds and the lack of markets, even the latter industries are unable to develop production on a large scale. The same lack of liquid means also impedes the progress of Latvian trade westwards. Practically all difficulties have been overcome in the sphere of agriculture, but this branch of Latvia's economic life still suffers from a lack of the necessary extensive means and

long term credit. The prewar industries, which figured so prominently in the economic life of the country in the past, depended on the conjuncture of the time and owed their existence mainly to high protective duties and the orders placed by the Russian Government. In those days the transporting of raw materials was also cheaper, as incoming vessels could always reckon on Russian export cargo. Labour was also much cheaper, as there were 75 landle to every 100 inhabitants. Present-day conditions and possibilities are decidedly different from what they used to be before the war. There are good prospects in the following branches of industry: rubber, linoleum, matches, paper, cellulose, hide, flax, woodworking; in agriculture seeds, stock farming, beet sugar, butter, meat, eggs, bacon. Latvian fisheries also hold forth good prospects of development. In general, the country's excellent geographical situation is conducive to progress in commerce and shipping.

INDUSTRIES.

Industrial policy. The Government of Latvia is endeavouring to facilitate the restoration of industry in various ways, for example, by granting credits, permitting the dutyfree importation of machines and partly also raw materials and semi-manufactured goods, by promoting the peat industry as a means of procuring cheap local fuel, by declaring free customs territories for the export producing industries, by arranging Sample Exhibitions in London, Chicago, Vienna and other foreign centres, etc. Despite the many difficulties, however, Latvian industry is prospering, partly through the extensive utilization of natural water power as, for example, in the case of the Ligate and Staicele paper mills, numerous flour mills and many wool weaving mills. The number of industrial enterprises has increased from 1430 in the year 1920 to 2,732 in 1926, and the number of workmen from 21,213 to 49,672. Despite adverse economic conditions, continued development was registered in Latvian industry

in the past year, resulting in an increase in the number of undertakings and hands employed. The following table is illuminating as to the progress made in the industrial sphere since the war:

Year	No. of Undertakings.	No. Workmen.	Value Output (Lats, in thousands).
1920	1,430	21,213	—
1921	1,709	28,643	—
1922	1,906	31,827	135,686
1923	2,032	40,614	214,579
1924	2,598	48,134	234,359
1925	2,839	49,905	276,191
1926	2,732	49,672	311,000

The development of industry is also revealed by the following particulars concerning the employment of mechanical motive power:

Year	Steam or Water power	Electrical	Total
1921	50,146 hp	11,218 hp	70,364 hp
1926	98,218 "	45,698 "	143,916 "

Industrial Enterprises and Number of Hands.

Branch:	Enterprises			W o r k m e n		
	1910	1925	1926	1910	1925	1926
Quarries	13	3	3	1,223	285	157
Mineral industry	150	103	101	12,029	3,360	2,420
Metallurgical	115	303	275	25,385	9,166	8,408
Chemical industry	39	111	97	12,659	3,274	3,433
Textile industry	52	290	270	12,143	5,881	5,935
Woodworking	99	292	272	11,306	8,790	10,061
Paper and allied	79	147	144	5,208	5,046	5,132
Foodstuffs	175	1,284	1,284	8,063	8,562	8,543
Miscellaneous	60	306	286	5,329	5,541	5,583
Total	782	2,839	2,732	93,345	49,905	49,672

The woodworking and the foodstuffs producing industries presents the largest number of workmen and, at the same time, the largest number of undertakings, so that this branch contains the largest number of small enterprises.

Greater concentration is registered in the metallurgical, paper and chemical industries. The process of amalgamation will doubtless be furthered this year by the difficulty in procuring capital for small undertakings.

The above data do not reveal the influence of the Russian-Latvian commercial treaty, as the orders received on the strength of the treaty are only now being executed. Most of the metallurgical enterprises are workshops for building and repairing agricultural machines and implements.

The woodworking industry, in particular, has good possibilities of developing in Latvia, there being a copious supply of the necessary raw material in the country's large forests. Consequently, this industry has managed to raise the number of workmen to 78% of the prewar number. The sawmills rank first both in the number of enterprises (223) and of workmen. In regard to profit, however, the best results are registered in the veneer (8) and boxboard factories. Latvian sawmills handle about 250,000 standards of timber yearly, including the elaboration of Russian wood.

The foodstuffs industry is, at present, the only branch employing more hands than before the war. It comprises chiefly milling plant; but the largest value of output is rendered by the dairies, to the extent of 58 million lats, followed by the tobacco and cigarette factories with an output value 20 million lats.

The first sugar factory was erected in Jelgava (Mitau), after the experiments made in cultivating beetroot in Latvia had produced satisfactory results. The output of this factory amounted to 1450 tons of sugar in 1927. The import of sugar totalled 33,511 tons in that year.

The Textile Industry employs today 60% of the prewar number of workmen. The cotton spinning and weaving mills are the most prominent enterprises in this branch. They number four with altogether 504 workmen. Next in size are the flax spinning mills which engage 997 hands, and lastly the combined cotton and wool weaving mills, three

in number, with 275 workmen. This entire branch of local industry produces goods to the aggregate value of 32,111,000 gold francs yearly, which however does not suffice for the local demand, thus necessitating the importation of large quantities of textiles.

The Paper Industry. The printing and allied trades have almost recovered the prewar number of hands. The large supplies of raw materials available combined with favourable manufacturing and selling conditions are conducive to the development of the paper and allied industries in Latvia. Most of the mills are located in Riga and its environs. From the standpoint of political economy, the paper mills claim the greatest attention in this particular branch of local industry, producing as they do goods to the value of 12,368,000 gold francs annually, a large portion of which is exported.

The Mineral Industry has recovered only 28% of its prewar working capacity. The brick industry, which figured so prominently before the war, is handicapped by the prevailing standstill in building operations.

The Chemical Industry had, by the year 1925, recovered only 25% of its prewar working capacity. Principal in this branch are the rubber factories, which have succeeded in securing a firm footing for their output in foreign markets.

The Latvian rubber industry was reconstrued after the recognition of the Republic by the allied nations. The efforts of local manufacturers to re-establish the trade after the adverse effects of war have been successful. This is illustrated by the increased imports of crude rubber from 232 tons in 1925 to 576 tons value 1,836,000 lats in 1927.

By far the largest item of production of the Latvian rubber industry is rubber galoshes, with an annual output of over one million pairs.

The export of galoshes from Latvia in 1927 aggregated 1,308,007 kilograms value 12,382,008 lats. Over one-third of this volume was sent to Poland, i. e., 473,17 kilograms value 4,877,422 lats. To Lithuania were sent 175,080 kilograms for 1,329,623 lats, and to Germany 168,559 kilograms for the sum of 1,561,590 lats. Some large parcels were also shipped to China, the Balkan States and other countries.

Second in importance are the cork, linoleum and match factories. In Liepaja (Libau) the linoleum works and cork factory are operating under joint management. The cork factory employs already 300 hands, and is gradually developing. The necessary raw material is imported from Portugal, Spain and Algiers, while the ready made cork is sold locally and exported to Germany, Finland and Sweden. The cork waste is passed over to the linoleum works. The latter operate on Customs free territory under the supervision of Customs officials. They also employ about 300 workmen. The cork waste received from the cork factory is ground to powder in special mills. The Liepaja oil mills supply the linseed oil for linoleum carpets. The jute tissue made of Indian fibre, used in the manufacture of linoleum carpets, is imported from Scotland, as the Riga factory of Hertwig and Peitan, the prewar suppliers of this material, was liquidated during the war. The linoleum works make their own varnish and possess their own printing establishment where the linoleum is garnished with designs according to the tastes of the different foreign markets. The annual output of the works is valued at 3.5 million lats. Thereof, 2% disposed of locally and 98% exported to Finland, Estonia, Norway, Sweden, Denmark, Holland, Belgium, Switzerland, Roumania, Turkey, Greece, Hungary, Austria, Czecho Slovakia, Poland, Great Britain, Brazil, China, Palestine and other countries. It is gratifying to observe that the linoleum works have already surpassed their prewar output.

The oilmills are notable for the value of their output. A superphosphate factory has begun activities in Riga lately, and is already making fair progress.

The elaboration or working up of animal products is also a promising branch of industry, in which 69% of the prewar capacity has been recovered. The tanneries rank foremost in point of value of output (14,134,000 gold francs), followed by the shoe factories with 5,230,000 gold francs.

Electrification. Rapids & Peat. Among the other branches of industry mention may be made of the electric power stations, 44 in number, with 582 hands employed. Despite the incontestably great importance of electricity, this branch of industry has not been developed to any marked extent. A great hydraulic power station on the Daugava (Dvina), rapids could generate up to 300,000 horse power during nine months of the year and 120,000 hp at low water-level in the remaining period. But it has not yet been possible to procure the necessary capital of 200 million gold francs. Such a power station would be able to supply all the industries and railways with cheap current; and, in conjunction with the same, the production of nitrogen, aluminium and magnesium could be developed.

Further particulars regarding the proposed hydraulic power station are given in the publication of the Marine Department entitled the Projected Dole Power Station, and containing exact information with the necessary plans, designs, estimates, conditions and so forth.

Latvia possesses extensive peat layers, covering an area of 600,000 hectares with an average depth of 5 to 6 metres. But the exploitation of these resources is impeded by the competitive price of coal and by the lack of capital necessary for acquiring up-to-date equipment, which is essential to rational operations.

Industrial Tendency. Among the large number of undertakings in operation in Latvia there are none which may be classed with big or heavy industries. Only 3% of the enterprises employ over 100 workmen. The hopes which certain circles set on industry have been only partially justified, and the participation of industry in export is comparatively small. For example, to the aggregate export value of 220 million lats in the year 1927, the industries contributed only 40 millions, i. e., barely as much as the butter export rendered. As already observed, the future of our industries rests with those enterprises which consume or elaborate local raw materials as lime, clay, paper, timber, flax and leather. These branches have the best prospects and deserve support.

Protection of Labour. The working classes in Latvia enjoy to the full the achievements of modern social legislation: 8-hour working day, rights of unions and assemblies, strike freedom and so forth. The Ministry of Public Welfare embraces a conciliatory chamber and a tariff commission. The workmen are mostly all organized in unions.

According to a computation of the Labour Bureau at Geneva, the membership of Latvian trade unions has varied thus in recent years:

1921	—	50,000	members
1922	—	25,450	"
1923	—	23,658	"
1924	—	41,017	"
1925	—	44,000	"

By way of comparison, it may be observed that the trade unions in Poland numbered 539,089 members in 1924, and 475,000 in 1925; and in Finland 47,312 in 1924, 50,472 in 1925 and 62,000 in 1926. As the population of Poland is about fourteen times larger than of Latvia, the trade union movement is on about the same level as in Latvia. It is

weaker in Finland, however, the latter country numbering 1.5 million inhabitants as against 2 millions in Latvia. The number of organized workmen in Finland has exceeded the Latvian number only in recent years.

Unemployment. In Latvia as in other countries there is unemployment, though of a nature varying with the seasons. In summer, for example, there is practically no trace of unemployment in Latvia. It sets in only in autumn and emanates from the circles of unqualified and immigrant workers. The number of unemployed is only a few thousand in a Labour army of 238,000 (thereof 186,000 agricultural and 50,000 industrial workers). The government and the communes endeavour to alleviate the state of unemployment by means of public emergency work as the building of roads and highways, forest operations and the like. Unskilled workers are also afforded the opportunity of learning a trade. More difficult is the situation of the educated unemployed, who are not accustomed to manual labour and know no trade. Qualified workers and artisans, on the other hand, experience no difficulty in finding employment and earn from 5 to 8 lats per day which, considering the general economic situation, is a living wage, on the basis of an existence minimum of 125 lats per month for a family of five persons. The cost of living is not high in Latvia. According to data of the Board of Statistics, the index in Riga is 127, as against 175 in England and 173 in Poland.

Location of Industry. In regard to the geographical distribution of industrial enterprises, it may be observed that 1022 undertakings with 30,109 workmen are located in Riga (59%), comprising mostly textile factories, wood-working, metallurgical (Phönix Wagon Works), rubber, foodstuffs and delicacies, fancy goods and tobacco factories. In Liepaja (Libau) we find 108 industrial enterprises with 4263 hands (9.5%). The remainder is in the smaller towns and in the country. The brick industry is concentrated in

Kurzeme (Courland) and Zemgale (Semgallen). The lime and cement industry is located in the vicinity of the river Daugava (Dvina), Lielupe (Courish Aa) and Gauja (Livonian Aa). Large match factories are in the provinces (in Kuldiga for example), as also paper mills (Ligata) and turpentine distilleries (in Saldus).

Arts and Crafts. The process of economic restoration has been attended by a marked development of professional trade, which looks back with pride upon a century-old local history. Prominent in this category are cabinet makers, tailors, shoemakers, blacksmiths, locksmiths and mechanics. Unfortunately, however, the law regarding the 6-hour working day for apprentices has handicapped the progress of apprentices, and there was also a lack of industrial schools. But these deficiencies are being remedied. There has also been a gradual resumption of domestic craft, in the organization of which special credit is due to the National Women's League and other similar associations. Considerable progress has been made in tapestry work, and various articles in ethnographical designs, as gloves, stockings, belts, skirts and carpets have been placed with success in the world market.

Ornaments. The strict preservation of national ornamentation is furthered by the afore-mentioned publications „Latvju raksti“ („Latvian Ornaments“) and „Latvijas Saule“ („Latvian Sun“). Latvia took part in the international exhibition of decorative art held in Paris in 1925 and was awarded several prizes. Particular interest was shown in the specimens of scenic art exhibited by the Riga Artistic (Dailes) Theatre, and in Latvian national costumes, porcelain and Latvian ornaments in general. (See plate).

The best collections of Latvian national costumes, amber and other ornaments is to be found in the Historical Museum at Riga Castle. The Museum possesses a rich variety of runic stones, Roman and Arabian coins and other excavated finds.

AGRICULTURE.

From the standpoint of political economy, agriculture is far more important than industry in Latvia, 60.99% of the population being engaged in agriculture, which contributes an ever increasing percentage to the country's aggregate exports year by year: 42% in 1923, 48% in 1924, 55.2% in 1925, 55.7% in 1926, as against 7.5%, 10.8%, 14.6% and 19.7% contributed by industry in the corresponding years. The development of Latvian agriculture was furthered by the activity of the agricultural societies and coöperative institutions; and since the proclamation of the Republic, also by the solicitude of the Government and principally through the agrarian reform which, from a social standpoint, was a pressing necessity.

Short Agrarian History. After the establishment of the pontifical State in Latvia in the XIII century, the government distributed the land in fee to their vassals, including many knights of the Order. The Latvians retained their proprietary right to the land, as is proved by the treaties of that period. But the treaties were soon annulled and the Latvians and Estonians deprived of their landed property. On the collapse of Roman Catholicism and the liquidation of the pontifical State in the XVI century, the vassals of the Order, the Bishops and the Municipalities seized the land they had hitherto held in fee. For this reason they supported the Reformation and backed Poland and Sweden in so far as the latter were disposed to recognize their usurped rights. In the meantime, the peasants lost not only their land but their personal freedom as well. In his „Materialen zu einer Geschichte der Landgüter Livlands“ published in Riga in 1836, the competent writer H. von Ungemeister observed that „there was no longer any trace of legality or justice, after all resistance had been defeated by sheer tyranny; for there was no higher authority to bridle the power of the despots in their treatment of the

peasants. Caprice and arbitrariness reigned." The governments of Poland and Sweden made futile attempts later to liberate the peasants. Towards the close of the XVII century, King Karl XI of Sweden decreed a reduction of the large estates and the drafting of a code of laws for regulating the juridical status of the peasantry, firstly by introducing land registers. These measures aroused the indignation of the nobility, who promptly turned their sympathies Russiawards. Under Russian supremacy, the power and the privileges of the nobility were completely restored in the XVIII century. The Swedish peasantry laws, though not repealed, were not enforced. Taking full advantage of the situation, the nobility restricted the rights of the peasants still more: The farmers were no longer free to market their produce, for the sole selling rights were vested in the estate owners. By the end of the XVIII century the landlords made no more payments for agricultural produce, as they regarded the entire landed property of the peasants as their own. This led to frequent peasant revolts. The situation of the peasants was the same in Kurzeme (Courland) as in Vidzeme (Livland), despite the difference in appurtenance and political development. Already in the year 1570, the code of privileges of Duke Gotthard Kettler determined (§ 11) the supreme power of the nobility over the peasantry and declared (§ 6) the serfs the personal property of the nobility. Later, the civil rights of the peasantry were further curtailed. For example, they were forbidden to sell beer, to hunt, to carry arms and to conduct trade without the markets.

Although, nominally at least, the supreme authority was vested in the Duke of Courland, the ducal power was perceptibly limited by the „Formula regiminis“ forced upon him by Poland in the year 1617, which strengthened the position of the nobility by the forming of a Nobility Council, attached to the duchy. The Courish Statutes published in the same year, based on the Roman Law, degraded the

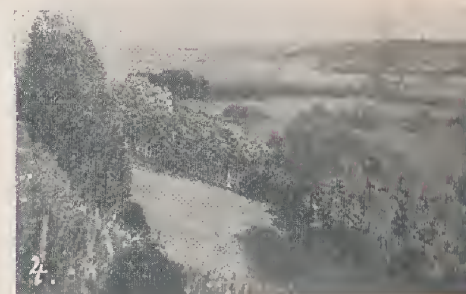
peasants to a level similar to that of Roman slaves, and deprived them of the freedom of movement. By virtue of the same Statutes, the nobility alone had the right to buy and sell land, the peasants were not allowed to settle on their land, and their movable property was placed at the disposal of the nobility. (The Statutes of Pillen, granted to this town by the Warsaw Sejm in 1611, upheld however the right of the peasants to their movable property). On the strength of these statutes, the landlords could sell the peasants at their pleasure. The nobility continued to impose taxes and socage service. During that period, however, the position of the peasants on the State lands in Courland was incomparably better. For the noblemen who leased State lands could not eject the peasants or augment arbitrarily the existing taxes and statute labour. Nonetheless, from a juridical standpoint, the peasants in Courland and Livland were in equal measure deprived of all rights. They became morally and physically degenerate. Then it was, that among high Russian government officials and in the circles of the more farsighted and humane Baltic nobility (v. Schultz, v. Sievers), voices were raised in defence of the peasantry, demanding an alleviation of their unbearable position. This in conjunction with the influence of the French revolution led the Russian Government to issue the law of 1804, which restored almost fully the Swedish peasants law, supplemented with a stipulation leaving the land in the hands of the peasants as hereditary leasehold property. The land was divided according to the mode of taxation and exploitation, namely in demesnes exempt from taxation and in peasants' land which, though the property of the nobility, was left to the peasants for usufruct in consideration of taxes which they had to pay to the State, and statute labour and contributions which they had to render to the nobility. The latter took advantage of every opportunity to convert peasants land into demesnes, which process was facilitated by intensive cultivation. The nobility objected to the law

into 123,374 economic units of different sizes, but none larger than 27 hectares. In this way, there arose in Latvia a large number of new farms, which, together with the old ones, numbered more than 220,000 in the year 1926. The Government promoted constructive work on the new farms by supplying timber materials for building purposes at reduced rates and by granting the necessary credit. There is a perceptible fusion of the new farmers with the old.

(See „J. Bokalders. Etat de l'agriculture“, Riga, 1923).

Indemnities and Landlords' Claims. At the instance of the Social Democrats, the first Latvian Parliament passed a law on April 14, 1924, regarding the expropriation of landed property without compensation, which was published on May 1, the only exception being in respect of hypothecary debts, which should be settled on the strength of the law of March 18, 1920 at the rate of 66 and two-thirds Latvian copecks to the Imperial rouble. Fifty deputies (the socialists, radical bourgeois and some of the Russian and Jewish deputies) voted for the law of April 14, 1924, while 39 Latvian bourgeois deputies voted against it, i. e., in favour of indemnity, which had been resolved upon in principle already by the Constituent Assembly. The Baltic German deputies refrained from voting! If all the fifteen minority deputies had voted together with the 39 Latvian bourgeois members, a majority in favour of compensation would have been achieved. Later, the landlords lodged a claim before the League of Nations, which was not considered, however; for the agrarian reform was not directed against the minorities, but is essentially a social law, which affected not only German Balts and Latgalian Poles, but also 51 Latvian estate-owners.

The Distribution of Landed Property. Consequent on the agrarian reform there arose a new classification of landed property which, according to the agricultural census of the year 1923, presented the following picture:



My Life: 1. 29% of Latvian territory is covered by forests. 2. Timber floating down the Abava river. 3. Lime-kilns along the Daugava river. 4. The „Courish Switzerland“. 5. Ab. 10,000 families live their living by fishing. 6. The Venta river near Kuldiga. 7. The road to „Livonian Switzerland“. 8. Brick-factory near Jelgava.



Under	2 hectares	8.17%	of all landed property			
From	2 to 10 "	32.46%	"	"	"	"
"	10 " 20 "	26.18%	"	"	"	"
"	20 " 30 "	11.92%	"	"	"	"
"	30 " 50 "	10.76%	"	"	"	"
"	50 " 100 "	9.27%	"	"	"	"
Over	100 "	1.24%	"	"	"	"

Thus, Latvia is obviously a country of small farmers.

Forests. A very important economic branch, closely allied to agriculture, is forestry. The forests comprise 29% of the entire territory of Latvia, i. e., 1,780,386 hectares, the greater part of which, viz., 78.3%, being pine woods. With the exception of about one-sixth, which remained in private hands or the possession of municipalities, all the forests belong to the State. With a view to ensuring rational exploitation, the private forests are also under State control and may be cut only with the State's permission. To the Ministry of Agriculture is attached the Forest Department which supervises the activity of 85 main forestries through the medium of its inspectors. Forestry is conducted on rational lines in Latvia. In each case, felling operations may be repeated only after a lapse of 120 years. According to scientific computations, 14,000 hectares of forest may be cut every year. In reality, however, only 12,000 hectares are felled. The malicious rumours anent the alleged wanton destruction of the forests are totally unfounded. On the contrary, the Government takes judicious steps for regulating forest operations. It is true that during the great war and the period of German occupation, the forests were wantonly cut (190,000 hectares), but the Government of Latvia have managed already to re-afforest about 100,000 hectares (24,140 hectares in 1923, 19,060 in 1924, 30,000 in 1925 and 14,000 hectares in 1926). The considerate manner in which the forests are used in Latvia justifies the hope that, by the year 1930, their prewar area will be recovered. The Government sells every year large quantities of timber by auction, whereby the cutting is left to private

enterprise. The State derives 8 to 10 million lats yearly from the sale of timber. The hunting seasons are indicated in a special game calendar. Hunters must possess a special hunting permit.

The Future of Agriculture. As has been observed elsewhere, Latvia has 1,7 million hectares (28%) of arable land, 800,000 hect. (13%) meadows, 900,000 (14%) pasture and 21,000 hectares garden land. From these figures it is evident that there is a secure basis both for the cultivation of grain and for stock farming. Geologically, the soil is composed of sand and loam, the latter being mostly in the upper regions and sand in the lower. For centuries the soil has been treated with natural manure, with local lime and, since the end of the XIX century, also with artificial manure. All kinds of grain, found in northern climates (including wheat), thrive in Latvia. Grass, clover, flax, beetroot, apple and pear trees, and different kinds of berries grow well in Latvia. Agriculture is not uniform all over the country. In Kurzeme (Courland) for instance, over 20% of the sowing area is covered with clover, grass, oats and potatoes; to this is added wheat in Zemgale (Semgallen); oats and flax are predominant in Vidzeme (Livonia), while in Latgale (Lettgallen) flax is the main item (the area under flax having been doubled since 1913), followed by barley and rye. But rye, mixed corn and flax are to be found almost everywhere. In the cultivation of grain, — oats figure foremost, and among the fibres, — clover which provides good sowing material, and flax. Latvian linseed is much appreciated in western Europe. For example, it is known that the cultivation of flax in the North of France owes its development to the excellent quality of Latvian linseed. The best prospects for Latvian agriculture are presented by seed culture and stock farming, which are growing in importance rapidly.

In refutation of the rumours regarding the alleged collapse of Latvian agriculture, there are statistical data which

reveal the great progress made in agriculture since the war and a marked increase in the number of livestock, compared with before the war. Also the value of crops has increased from 236 million lats in the year 1913 to 283 millions in 1926.

Sowing Area and Yield. The following table illustrates the cultivated area (hectares, in thousands) and the yield (tons, in thousands) in recent years:

	1920	1926	1927
Cultivated area	551.8	1109.0	956.2
Yield in thousands of tons.			
Grain (rye, wheat, oats, barley, mixed corn)	309.0	770.0	721.35
Flax	11.0	25.3	18.6
Clover	790.0	664.1	1067.0
Hay	1290.0	1629.1	1782.6
Potatoes	374.0	1013.4	717.3

The year 1927 returned a medium harvest, so that there was a certain deficiency, compared with the preceding year. Although the yield per hectare is still rather small, amounting to only 50 or 60 percent of the yield in countries with more intensive agriculture, there are good prospects of developing grain culture, especially with the increased application of fertilizers, for Latvia's grain import involves about 40 million lats yearly in prevailing conditions.

The yield of potatoes has increased steadily, as the price of potatoes is firm owing to the spirit monopoly. The growing of beetroot presents fair prospects in Zemgale (Semgallen), where this product has a sugar contents of 17.5%.

The Flax Monopoly. The cultivation of flax is promoted by the flax monopoly, which guarantees stable prices. From 1919 to 1926 the State derived 47.5 million lats from the flax monopoly, through the sale and export of 108.807 tons of flax. The abolition of this monopoly, in accordance with the desire of certain circles, would be detrimental to growers,

as there is not enough free private capital in Latvia to finance the flax trade to the extent of 19 million lats.

According to computations of the International Agricultural Institute at Rome, the world's yield of flax at present is about 361,000 tons, 151,000 tons of which remain in the producing countries, leaving 210,000 tons in the European market, which quantity is by no means large, considering that the old stocks are generally exhausted. According to data of the above mentioned institution, Latvia ranks second among the flax producing countries. Russia tops the list with 180,000 tons. Latvia is followed by France with 18,000 tons, Lithuania and Poland with 16,000 tons each, Belgium 15,000, Estonia 10,000, Germany 8,000, Holland 6,500, Ireland 6,000, Czecho Slovakia 4,000, Italy 3,500 and overseas countries with altogether 5,000 tons. The yield of tow is just 50,000 tons.

Stock Farming Prospects. The following table illustrates the increase in the number of livestock since 1913 (head, in thousands):

	1913	1920	1926	1927
Horses	320	261	365	369.3
Horned cattle	912	768	955	996.6
Sheep	996	978	1152	1127.6
Pigs	557	481	521	534.6

These figures could be increased considerably, if the process of amelioration and drainage of meadows and pastures could be executed on a larger scale. The present stock of cattle in Latvia already exceeds that of the year 1913, but the meadows and pastures of Latvia afford provender for four times the present number. Dairying has developed rapidly in recent years, so that no fewer than 727 dairies were in operation in the year 1927. They handled 237.9 million kgs. of milk and produced 12,000 kilograms of export butter. By improving the breed of cattle, the output of milk is increased. Breeding cattle is imported for several

million lats every year. The newly acquired livestock is soon acclimatized and will in time place Latvia in the position to export breeding cattle. There are 500 cattle breeding associations and several hundred breeding stations, and this rural branch is further promoted and popularized by means of competitions and exhibitions. Genealogical registers are kept of cows for breeding purposes. Great attention is also paid to horse breeding, to which are devoted various State and private organizations, endeavouring to improve the local breed by acclimatizing Oldenburg, Hannover, Ardenne and other thoroughbreds. Concomitant with the increased stock of cattle, the export of meat and livestock is gradually increasing. In particular, the export of bacon is developing satisfactorily.

Latvia ranks ninth among the butter producing countries of the world. According to particulars published by the International Agricultural Institute in Rome, Denmark ranks foremost among the 17 butter-exporting countries, having exported 143,000 tons of butter in the year 1927, followed by New Zealand, Holland, Australia, Sweden and other countries. Latvia takes the ninth place with 10,700 tons, followed by Estonia with nearly 10,000 tons. Among consumers, England ranks foremost, consuming about 300,000 tons or 70% of the entire quantity placed in the international market, followed by Germany with about 100,000 tons. These two countries play the leading part as consumers in the international butter market.

The Farmer's Budget. The following are the principal sources of revenue in agriculture: stock farming rendering 47.42% and grain 31.32% of the entire income. Revenue is also derived from the auxiliary branches as poultry farming, apiculture and horticulture. Labourers' wages top the expenditure budget of the farmers with 32.64%, followed by inventory 14.61%, building expenses 5.16%, repairs 6%,

interests and amortization 4.72%, taxes 5.96% and fertilizers 5.96%. This shows that the farmers are still in a difficult position, especially on account of the high cost of labour. Apart from the wage (600 lats per annum), farm labourers receive free lodging, wood and other supplies, clothing and a piece of land for keeping their own cattle. At the same time, owing to keen foreign competition, which is furthered by the dutyfree importation of grain, grain prices have declined in the internal market.

Fisheries. This is a notable agricultural side-line and sustains about 10,000 families. In the year 1924 the sea fisheries rendered about 12,000 tons of fish value 1.9 million lats (Germany 39,416 tons, Sweden 26,041 and Finland 13,226 tons), and in the following year already 2.5 million lats. Like all other branches of domestic activity, the fisheries suffered considerably during the war, but the inventory (nets) is being renewed and motor boats are being acquired (158 in operation at present). The government protects the interests of the fishers by accomodating them with credit and finding new markets for their output. Apart from sea fisheries, there is extensive fishing in the internal waters, and an effort is being made to promote pisciculture in general. Of the different kinds of fish caught in Latvian waters, sprats, lampreys, salmon, carp, cod and small Baltic herrings are appreciated abroad. Eight local factories are engaged in the canning industry, and Latvian tinned fish is exported to various countries, including Palestine. Nonetheless, large quantities of Scotch and Norwegian herrings are imported. For example, in the year 1926, the herring import involved a sum of 5 million lats. Obviously, it is necessary to improve the methods of sea fishing and to augment the consumption of local fish. For further particulars see the year book of fisheries, published by the Ministry of Agriculture.

COMMERCE.

44,000 commercial enterprises were registered in Latvia in the year 1924, but as the most of these did not justify the hopes set on them, the number declined to 36,000 in 1925 and much fewer in 1927. This accounts for the comparatively large number of bankruptcies. There are also several consumption unions operating in Latvia, which handicap private trade to a certain extent. Commercial stability is secured by judicious commercial legislation based on the principle of free trade. and by the credit granted by wholesale merchants.

The new Customs Tariff with maximal and minimal scales of duty came into force on April 16, 1928 and was published in the official gazette „Valdibas Vestnesis“. Certificates of origin are required for import goods.

It is characteristic that some of the big industrial undertakings place their goods in the market independently, — for example, the linoleum works in Liepaja (Libau), the Ligate paper mills, Kusnezov's porcelain factory and others. Other producers also organize the sale of their products independently, — for example, the central union of dairies, which sells butter, milk and cheese on its own account, the association of cabinet makers selling their own furniture etc. Various organizations are engaged in the export of agricultural produce, — for example the central coöperative society „Konzums“ which exports bacon, the society „Lats“ exporting seeds and the above mentioned union of dairies. The farmers' associations supply members with machinery, fertilizers etc. The merchants of Latvia are organized in associations, unions, Exchange committees and banks. Commercial circles are afforded the opportunity to participate in the deliberations over the conclusion of trade agreements and the drafting of Customs tariffs. The Bank of Latvia accomodates merchants with credit. Some importance is

attached to the annual rural fairs, especially for the sale of horses and other livestock.

Foreign Trade. A casual inspection of statistical data suffices to reveal the fact that, for years, Latvia has been importing more than it has been exporting, a circumstance which may be ascribed to the exigencies of restoration. The following table illustrates the tendency of Latvian foreign trade in recent years (lats, in millions):

	1922	1923	1924	1925	1926	1927
Import	106.4	211.9	255.9	280.6	260.3	249.6
Export	101.2	162.0	169.5	179.6	188.4	220.2
Difference	5.2	49.9	86.3	101.0	71.9	29.4

Thus, the passivity of the trade balance diminished perceptibly in the year 1927. The imports comprise chiefly foodstuffs, articles of consumption and manufactured goods. Raw materials and half manufactured goods account for only 25% of the aggregate import.

The following table is illuminating as to the development of import, the value of the various categories being given in millions of gold francs:

	1922	1923	1924	1925	1926	1927
Raw materials and semimanufactured goods	25.7	47.1	60.5	65.7	59.2	62.2
Manufactured goods	49.0	102.4	111.7	132.4	131.7	114.6
Foodstuffs	28.6	48.9	69.8	77.7	64.6	69.9
Livestock	3.0	4.6	6.0	3.9	4.1	2.0
Precious metal and jewels	0.1	8.9	7.9	0.9	0.7	0.7
Total	106.4	211.9	255.9	280.9	260.3	249.6

There has been a gradual decrease of imports since 1925. The diminished imports of raw materials and half manufactured goods may be ascribed to the smaller quantities of coal, hide, grease, seeds, naphtha, cellulose, wool, cotton, hemp etc., imported. But the import of iron, cement, rubber, coke and briquettes has increased.

The import of machines, both agricultural and industrial, represents 16% of the aggregate import. The other

manufactured goods imported for industrial purposes, as petrol, lubricating oil, sulphuric acid, tanning materials constitute 18% of the aggregate import. Consequent on the increase of duty in March 1926, the import of textiles has decreased considerably, though this item continues to figure foremost in our import list. The import of tools and implements, glassware, kerosene, vegetable oils, dyes, rubber goods, superphosphate and fancy goods decreased last year, while that of paper, Thomas slag, potash, electrical apparatus, vehicles, agricultural and industrial machinery showed an increase.

The development of exports is illustrated by the following table:

	1922	1923	1924	1925	1926	1927
Raw materials and half-manufactured goods	70.8	119.8	124.8	112.6	101.9	127.1
Manufactured goods	8.4	11.7	18.7	25.2	37.1	40.2
Foodstuffs	12.6	17.7	19.4	40.5	49.0	52.4
Livestock	—	0.8	1.6	0.5	0.2	0.2
Precious metal and jewels	9.4	12.0	5.1	0.7	0.3	0.07
Total	101.2	162.0	169.6	179.6	188.4	220.2

In the first postwar years the export consisted almost exclusively of raw materials and half manufactured goods, which category has continued predominant, though there is a perceptible increase in the export of manufactured goods and foodstuffs. Timber materials and wooden articles top the Latvian export list, having rendered the following sums in recent years:

59.2 million lats in 1924
46.7 million lats in 1925
41.1 million lats in 1926
80.1 million lats in 1927.

The export of splint, boxboards and plywood has increased. Flax is another important export item. Its export rendered about 40 million gold francs in recent years (40,349,000 lats in the year 1925); but only 26,573,752

gold francs in 1927, owing to the decline of prices in the world market.

According to data of the flax monopoly department, the export of Latvian flax in the past two years was distributed as follows, in tons:

	1926	1927
Belgium . . .	13,365	8,268
England . . .	9,849	5,301
Germany . . .	1,827	2,203
France . . .	42	25
Poland . . .	60	40
Denmark . . .	—	10
Finland . . .	10	—
Total . . .	25,153	15,847

Thus, Belgium tops the list, with 55% of the entire flax export.

Among the raw materials, linseed and leather show a slightly diminished export, while bristles, raw hide and clover seed present increased export returns.

Agricultural Export. Agricultural produce ranks foremost in Latvia's export trade. The export of agricultural produce in recent years is shown in the following table, in tons:

	1922	1923	1924	1925	1926	1927
Flax . .	16,124	22,357	20,505	19,711	25,259	16,774
Butter .	1,032	2,902	3,667	7,154	10,134	10,761
Animal products	2,268	1,467	1,890	1,741	1,663	2,201
Linseed .	11,351	10,628	18,703	25,124	17,068	16,641
Meat . .	429	928	855	2,144	3,567	4,061
Eggs . .	148	77	44	77	19	—
Grain . .	26,835	20,128	8,356	11,482	4,603	3,301
Livestock (per head)	40	6,017	17,346	5,162	4,617	4,011
Clover seed .	—	—	172	670	1,382	701

Of the aggregate export value of 220 million lats in the year 1927 agricultural produce rendered 92 million lats. Very

satisfactory has been the development of butter export, which increased from 2.6 million lats in 1922 to 41.2 millions in 1927. The export of meat also shows a substantial increase from 528,000 lats in 1922 to 6 million lats in 1927. A similar increase is also registered in the export of seed and flax. Besides these products Latvia exports leather, wool, fruit and honey (70,000 apiaries were registered in 1926, the average yield being 17 kilograms of honey and 1 kg. wax). The export of butter, eggs, meat, potatoes and fruit is controlled in order to maintain the recognized high quality of Latvian produce.

The most rapid progress is registered in the export of foodstuffs. Butter and meat comprise four fifths of the aggregate foodstuffs export, as the following table (gold francs in thousands) shows:

Year	Butter	Meat	Aggreg. Foodstuffs Export
1925 . . .	30,266	3,550	40,609
1926 . . .	37,450	6,795	48,972
1927 . . .	41,266	6,009	52,493

Germany is the principal buyer of Latvian butter; England of meat (bacon), and Belgium and England are the principal buyers of timber and flax.

The export of dairy produce, meat and timber present the best prospects at present, especially if transport conditions are improved.

These data show that by augmenting the export of agricultural produce, an active balance of trade may be achieved in the near future. The passivity amounted to 71.9 million lats in 1926. Thereof, 40 million lats on account of grain import and 13.6 millions sugar import. Large sums were also spent on fancy goods and other manufactures, the import of which was facilitated by the Customs tariff and the credit policy of local banks. But the passivity declined in 1927, consequent on the modified scales of Customs duty and the pursuance of a more cautious credit policy.

Among the manufactured goods, Latvian rubber good leather, paper, linoleum, linen yarn, matches and lubricating oil have gained access to foreign markets, and their export is increasing.

Export of Manufactured Goods.

(In tons and millions of lats).

	1922		1924		1926		1927	
	Tons	Lats	Tons	Lats	Tons	Lats	Tons	Lats
Linen Yarn . . .	226	0.74	752	2.69	848	2.85	864	3.00
Paper	1228	0.59	5406	3.60	6057	5.37	9358	4.90
Matches	205	0.15	1360	1.01	1718	1.23	1327	0.91
Linoleum	213	0.40	1788	2.36	2259	3.05	2698	4.10
Rubber goods . .	—	—	173	1.20	818	8.25	1311	12.60
Technical Oils . .	—	—	807	0.37	3218	1.82	2015	1.10
Agricultural Machines and Implements . . .	—	—	1144	1.26	1257	1.06	1035	0.90
Total	1872	1.88	11430	12.49	16176	23.62	18608	27.70

Latvian Foreign Trade in 1926 and 1927.

Kilograms and lats in millions.

	1926.		1927.	
	Import	Export	Import	Export
	Klgr.	Ls	Klgr.	Ls
England	60.0	25.7	302.0	64.2
Germany	294.2	104.0	36.2	45.8
Belgium	24.4	6.2	54.4	26.9
Holland	72.6	8.6	34.8	4.5
Poland	212.7	16.4	3.7	3.4
Lithuania	16.6	9.0	15.8	5.0
U. S. A.	25.0	10.1	2.4	5.6
France	4.0	6.0	17.1	4.1
Denmark	35.5	15.5	4.8	3.5
Russia	57.7	11.7	3.2	10.2
Estonia	24.2	6.9	5.1	4.0
Sweden	52.8	9.9	11.4	1.6
Finland	6.4	2.7	17.1	1.3
Austria	1.4	2.5	0.4	3.4
Danzig	95.7	7.0	0.2	0.2
Czecho-Slovakia .	19.5	11.1	0.2	0.2
Switzerland . . .	5.7	4.0	0.1	0.1
Italy	0.2	1.2	0.4	0.2
Other countries:	6.1	1.8	8.6	4.3
Total	974.7	260.3	517.9	188.5
			1065.5	245.8
			1006.6	220.7

Analysis of Foreign Trade. The perceptible reduction of the difference between the aggregate import and export figures was a distinctive feature of Latvian foreign trade in the year 1927, to which the increase of exports contributed in a higher degree than the reduction of imports. The import, as observed above, involved a total sum of 249.6 million lats; thereof, goods from Germany heading the import list with 98.7 million lats, including raw materials for 46.6 million lats comprising mostly cotton, wool, iron, linseed, hide and skin, coal and coke. The import of manufactured goods from Germany involved a larger sum, namely 61.1 million lats, comprising mostly cotton tissue, woollens and paper. The import of agricultural machines was much less than that of industrial machines. Germany also supplied Latvia with large quantities of chemicals, dyes, potash and electrical appliances. The import of foodstuffs from Germany was less extensive, and comprised chiefly wheat, rye, rice and sugar. England followed Germany in the Latvian import list with 26.4 million lats. While the import of raw materials was inconsiderable, comprising mainly coal, the import of manufactured goods attained the tidy sum of 11.8 million lats, including large parcels of cotton tissue. The import of foodstuffs from England involved a sum of 8.5 million lats, the principal items being sugar and herrings. Then follows Soviet Russia with 18.4 million lats, naturally as a supplier mainly of foodstuffs (15.5 million lats), i. e., grain and sugar. The import from Denmark totalled 16.6 million lats, comprising mostly foodstuffs (11.1 million lats), i. e., wheat and rye. Poland supplied goods to the value of 14.5 million lats, chiefly coal. To this may be added the rather considerable coal import from Danzig. Poland also placed a large quantity of textiles in the Latvian market. So did Czecho-Slovakia. The import from Sweden totalled 10.5 million lats, and comprised mostly agricultural machines (dairy plant) and superphosphate. With a sum of 7.3 million lats

Lithuania figures rather insignificantly in the foreign trade of Latvia, which is incompatible with natural conditions. But this is due to the failure in achieving an economic treaty, which would doubtless open a receptive market for Lithuanian produce in Latvia. At present, the import from Lithuania comprises mostly linseed and horses. Even the more distant country of Holland surpasses Lithuania in trade with Latvia. Estonia, like Poland and Lithuania, has not yet concluded a final treaty of commerce with Latvia. Cotton tissue is the principal import item from Estonia. The import from the United States of America attained the respectable sum of 6.8 million lats, and comprised mostly wheat, agricultural and industrial machines.

Reverting to the second table under the caption „Foreign Trade“, we observe that despite the absolute decrease of import in 1927, raw materials and semi-manufactured goods were imported for 3 million lats more than in 1926, while the import of manufactured goods declined by 17.1 million lats. The import of foodstuffs increased slightly, but not to the extent of the year 1925. The import of livestock dropped from 4.1 to 2 million lats. On the whole, the import returns show a productive tendency.

The export, as observed above, rendered a total sum of 220.2 million lats, as against 188.4 millions in 1926 and 179.6 millions in 1925. Great Britain tops our export list with 74.8 million lats, being the leading buyer of raw materials, chiefly timber which alone rendered a sum of 48.5 million lats. England also buys large quantities of flax. Paper is the only manufactured article of note exported to England. Among foodstuffs, bacon is exported almost exclusively to England. The butter export to England has declined lately, owing to the better prices obtained in Germany, which country ranks second in our export list with a total of 58.3 million lats. Here too, flax and timber figure prominently, though not to such an extent as with

England. Among the raw materials exported to Germany we find also raw hide and skins, and among manufactured goods, — the growing export of galoshes. But where Germany really excels is in the import of Latvian butter, which rendered a sum of 35.4 million lats. Belgium takes exclusively raw materials, mostly flax, linseed and timber. The export to Soviet Russia is inconsiderable, though Russia takes practically the entire crop of Latvian clover seed. Holland is an important buyer of Latvian timber. France buys timber and linseed. The export to Poland is by no means negligible, and includes quantities of galoshes. To the United States of America we export hide, skins, matches and vetches.

Compared with the preceding year, the export increased in all branches, but especially in the category of raw materials (from 101 to 127 million lats). The export of manufactured goods shows steady development, having increased from 25.2 million lats in 1925 to 37.1 in 1926 and 40.2 millions in 1927. The export of foodstuffs increased from 49 million lats to 52.4 millions in 1927.

Treaties of Commerce. The largest turnovers in Latvia's foreign trade are achieved with Great Britain, Germany, Belgium and Holland (about 70% of the whole). Latvian trade with the neighbouring Baltic States is very passive, i. e., the import from exceed the exports to the latter States. And it is just with these States, Finland excluded, that we have not yet concluded formal treaties of commerce. As has been observed elsewhere, the government is doing the utmost to promote commercial relations with foreign countries. Treaties of commerce are concluded, the consular net is extended, commercial and agricultural attachés are appointed and an endeavour is being made to achieve a Customs union with the neighbouring Baltic States.

Latvia has concluded treaties of commerce with the following countries:

Country	Signed	Enforced
Czecho Slovakia	October 7, 1922	November 9, 1923
Great Britain	June 22, 1923	November 5, 1923
Hungary	November 19, 1923	April 14, 1925
Holland	July 2, 1924	October 2, 1925
Austria	August 9, 1924	July 26, 1927
Norway	August 14, 1924	June 10, 1925
Finland	August 23, 1924	July 9, 1925
France	October 30, 1924	February 26, 1925
Denmark	November 3, 1924	May 10, 1925
Iceland	November 3, 1924	January 30, 1926
Switzerland	December 4, 1924	May 2, 1925
Sweden	December 22, 1924	June 29, 1925
Japan	July 4, 1925	July 4, 1925
Belgium	July 7, 1925	August 21, 1926
Italy	July 25, 1925	February 9, 1927
U. S. A. *) (provis.)	February 1, 1926	April 30, 1926
Germany	June 28, 1926	December 1, 1926
Greece	February 25, 1927	February 16, 1928
Russia	June 2, 1927	November 5, 1927
Poland (provis.)	December 22, 1927	April 16, 1928.
Estonia (provis.)	March 25, 1928	

A particular importance attaches to the treaty of commerce concluded with Soviet Russia, the outcome of an endeavour to devise a practical means of promoting economic intercourse between two entirely dissimilar economic systems. By virtue of this treaty, Latvia is assured of receiving Russian orders to the value of 40 million gold francs per year for a period of five years, as also a guaranteed volume of transit traffic. In consideration of these assurances, Latvia conceded Customs facilities to various Russian goods—chiefly raw materials.

Mention may also be made of the treaty concluded with Estonia on February 5, 1927, regarding the establishment of a Customs Union between both countries. This treaty foresees a lapse of 3 to 4 years for the completion of preliminaries, during which period not only the tariffs, but also the

*) Was converted into a permanent treaty of commerce on April 20 1928.

financial and credit policy, commercial legislation and shipping of both countries shall be coördinated. In the meantime, pending the realization of the Customs Union, a provisional treaty of commerce was concluded with Estonia on March 25, 1928, based on similar principles as the provisional treaty with Poland, embracing the privilege of the minimal Customs tariff, which is about 50% lower than the general tariff. Negotiations are being continued with a view to concluding a treaty of commerce with Lithuania.

The Latvian Cabinet resolved on March 28, 1928 to grant Lithuania the privilege of the minimal scales of duty for a period of nine months, until January 15, 1929, from the enforcement of the new Customs tariff. Strictly speaking, this privilege is applicable only to countries with which formal treaties of commerce have been concluded. In the present case, however, an exception is made in Lithuania's favour, on the strength of the declaration signed by both Parties in 1925, by which Latvia and Lithuania undertook to allow each other all Customs facilities granted to other countries. The declaration was ratified by Lithuania, but not by Latvia. An earnest effort is now being made to regulate finally the economic relations between the two countries.

The opening and the operating of a commercial or industrial enterprise in Latvia is, both in respect of Latvian citizens and foreigners, dependent on the acquiring of a trade or industry licence, whereby foreigners have to present a sojourn permit valid for at least six months. There are seven categories of industry licences and five of trade, graded according to turnover and costing 2 to 600 lats and 5 to 300 lats per annum respectively.

Foreign share and joint stock companies and companies with limited liability may operate in Latvia only with the sanction of the Minister of Finance. The necessary

application must contain information regarding (a) the title of the company and its object in Latvia, (b) amount of stock capital abroad and the amount of capital designated for local operations, and (c) Christian and surnames of the authorized agent or agents. To the application must be attached a certificate of the Latvian diplomatic representative to the effect that Latvian joint stock companies enjoy similar rights in the respective country, an undertaking to comply with Latvian laws and regulations, copies of the statutes in the original language and the Latvian translation, a certificate of the foreign government or legal authorities regarding the legal sanction or registration of the enterprise, an extract of the minutes of the general meeting pertaining to the establishment of the Latvian branch, corroborated balance sheets of the past two years and the legal power of attorney vested in the person or persons authorized to sign the regulation governing the activity of the company in Latvia. The responsible posts may be filled by foreigners, provided the latter reside permanently in Latvia. They are responsible for the company in all legal matters affecting the company's activity in Latvia, are expected to decide independently and to represent the company in court. In every separate case, these companies have to deposit in the Bank of Latvia a certain sum, as determined by the Minister of Finance, as a security for the fulfilment of obligations assumed, especially in regard to taxation. Bank guarantees or other forms of security may be given in lieu of cash deposits.

In general, the Minister of Finance treats all matters pertaining to the economic activities of foreigners in Latvia on the basis of reciprocity, but with certain legal reservations affecting foreigners and foreign companies.

Foreigners are not allowed to practise as patent agents, brokers, chemists, notaries public and solicitors. The right to build railways, bridges and other structures is conceded

only to foreigners whose ability is attested by a Latvian diploma. It is forbidden to establish in Latvia branches of foreign banks, forwarding and insurance companies. In fact, foreign insurance companies are not allowed to operate in Latvia at all.

Coasting and internal shipping is reserved for Latvian citizens only. In case, however, such ships pass into the possession of foreigners by inheritance, they are entitled to engage in coasting and internal shipping for a period of one year reckoned from the date of inheritance.

Ships belonging to foreign citizens or companies may fly the Latvian flag, provided the principal holder of the vessel resides permanently in Latvia and, in the case of companies, whose head offices must be in Latvia, provided not less than thirtythree and one-third percent of the members of the board are Latvian citizens. All officers and at least 25% of the crew of such vessels must be Latvian citizens.

Transit Trade. The most direct and convenient route from western Europe to the East is via the ports of Latvia. Latvian harbours are connected with the leading districts of Russia by broad gauge railroads. For example, Riga with Central Russia, Ventspils (Windau) with the Volga region and Siberia, Liepaja (Libau) with the South, the Ukraine. Nevertheless, Russian transit is still very small despite the reduction of the tariff. Considering its geographical situation, Latvia is keeping its harbours and railways in complete readiness, acquiring the necessary equipment and erecting spacious warehouses and other structures. Latvian harbours are ice-free the whole year round (Riga, with the help of icebreakers) and accessible to steamers of up to 27ft draught. For facilitating transit trade a law was passed regarding free ports, but it has not yet been put into practice. The harbours are equipped with numerous warehouses, elevators, cold stores and other accommodation for transit goods. Year by year, the government expends large sums

of money for furthering transit trade, the development of which is portrayed in the following table (in tons):

Year	Transit Volume	Thereof Russia
1924 . . .	574,700	310,000
1925 . . .	472,000	247,000
1926 . . .	626,000	345,000
1927 . . .	710,000	448,000

Apart from Russian transit merchandise, transit goods to and from Poland, Estonia, Finland, Lithuania and Germany pass through Latvia. The principal transit items are timber, flax, textile goods, machines, chemical products and livestock. For facilitating the rafting of transit timber special conventions have been concluded with Russia, Poland, Lithuania and Estonia. Transport conventions have also been concluded with the latter countries with a view to speeding up transit traffic via Latvia. In short, Latvia's efforts in this connection have won the admiration of prominent European economists and of the League of Nations, for these efforts testify to the earnest desire of Latvia to be a link between the West and the East.

SHIPPING.

Ports and Navigation. Krisjans Valdemars (1825—1901) is regarded as the patron of Latvian shipping. As a leader of the national movement, he rendered yeoman service in the promotion of Latvian shipping, by having ships built, nautical institutes established and by emphasizing the importance of navigation as the most natural occupation of his compatriots. Kr. Valdemars was also the actual founder of the Russian Volunteer Fleet.

Harbours on the Courish Coast. Already in olden times, before the German conquest and, later, in the days of the Courish Duchy (Duke Jacob) in the XVII century, the Cours and Semgallians were engaged in trade and ship-

ping. The Duchy of Courland*) possessed colonies in Africa (St. Andrews Island) and in America, the Island of Tobago, which served Defoe as an exemplary scene for Robinson Crusoe. Courland's commerce had reached such a stage of development that treaties of commerce were concluded with France and England on December 30, 1654 and June 17, 1657, after the signature of a treaty of amity with Cromwell in the year 1654. The Courish flag (a black crawfish in a red field) was known far and wide in European waters, competing with the Dutch flag; but gradually both Holland and Courland were ousted from the overseas markets by England, who ultimately took over the Courish colonies. This marked the retrogression of the Courish ports Ventspils (Windau) and Liepaja (Libau), but a revival set in with the new and favourable conjuncture in the XIX century.

The port of Riga. Riga, which Napoleon I called a „Suburb of London“, is the most important commercial centre of Latvia. In olden times Riga was a well known port and belonged to the Hanseatic Union. Riga's commerce prospered in those days, especially after the conquest of Novgorod by the Grand Duke of Moscow in the XVI century. The wealthy town of Riga became independent and was numbered among the German imperial cities, enjoying all privileges and represented in the German State Diet. But at the end of the XVI century Riga lost its independence to Poland. Fortune smiled on Riga again during the Swedish period (1610—1721). Every year more than 1000 vessels conveyed cargo to and from this port. Timber, flax and grain were exported via Riga, and here was concentrated the western European trade with Russia and Poland. The result was that Riga attracted the attention of Peter the Great. Riga lost much of its vitality during the Swedish—Russian—Polish war. Its population

*) Dr. W. Eckert. Kurland im Zeitalter des Merkantilismus, Riga, 1927.

numbered only 25,000 souls at the beginning of the XIX century. In consequence of Napoleon's Continental System during the Anglo-Russian campaign, English goods passed through Riga en route to Central and South Europe. Other prosperous periods for Riga were during the Crimean War in the fifties and the Turkish War in the seventies, when Russia, cut off from the Black Sea ports, had to direct its exports via the Baltic ports. The construction of the trans-Siberian railroad opened new possibilities of development for the ports of Riga and Ventspils (Windau), through which large quantities of flax, eggs, butter, grain and timber materials were exported. The turnover of merchandise in the port of Riga aggregated four million tons in the year 1912 (Königsberg 1,8 million tons, Danzig 1,7; only the harbour of Petersburg surpassed Riga with 6 million tons). That was a period of energetic railway and port construction. The ports of Riga and Liepāja (Libau) were extended and, concomitant with low freight rates, there was an increase in the import of raw materials (coal and metals). The heavy industries in Riga entered upon a new stage of development, which was furthered by the protective duties enforced by Count Witte. However, already before the war (1913—1914) these industries experienced a grave crisis, owing to the competitive industries in Russia proper and in Poland. For the latter also received and executed Government orders. The great war saved Riga industries from bankruptcy, though it led to their annihilation at the same time.

N a v i g a t i o n. Latvian ports have limited possibilities of development at present, owing to the stagnancy of the old hinterland. Nevertheless, the port of Riga has already recovered 25% of its pre-war tonnage.

Arrivals.

Year	Riga		Liepāja		Ventspils		Aināzi		Total	
	No.	Tons	No.	Tons	No.	Tons	No.	Tons	No.	Tons
1925	2379	912751	972	326954	610	184296	156	19681	4117	144368
1926	2377	889470	807	298197	530	204906	143	19261	3857	141183
1927	2514	1149637	835	337433	552	241380	140	32895	4041	176134

Departures.

Year	Riga		Liepāja		Ventspils		Aināzi		Total	
	No.	Tons	No.	Tons	No.	Tons	No.	Tons	No.	Tons
1925	2380	921684	959	326827	613	187542	154	19364	4106	1455417
1926	2385	890511	810	298805	520	196225	139	17602	3854	1403143
1927	2517	1147095	836	337352	554	242002	141	33269	4048	1759718

The arrivals were distributed as follows: 63% to Riga, 21% to Liepāja (Libau), 14% to Ventspils (Windau) and 2% to Aināzi (Haynasch). 78% of these vessels brought cargo. 70% of those which cleared port in that year left with cargo, and 30% with ballast. The arrivals in 1927 comprised 1672 steamers with 1,065,071 net reg. tons, 117 motor ships with 33,848 net reg. tons and 697 sailing vessels with 49,613 net reg. tons.

The following flags were represented in the past two years; Latvian 1035 (1128), (i. e., 19%), German 519 (411), Estonian 285 (255), Danish 147 (131), British 157 (114), Norwegian 85 (55), Finnish 49 (33), Swedish 159 (197), Dutch 26 (16), French 9 (6), Russian 10 (6), Polish 1 (1), American 2 (5) and Italian 2 (1).

Eighthundred and forty vessels with 145, 348 net reg. tons came from Latvian ports, including 405 steamers and motor ships with 113,297 net reg. tons, and 435 sailing vessels and barges with 32,051 net reg. tons. 804 of these vessels arrived with 117,400 net reg. tons of cargo and 36 with ballast.

The Latvian commercial fleet aggregated on

January 1, 1927 91,808 gross tons or 61.9% of the tonnage in 1914, but on January 1, 1928 104,373 gross tons or 70.2% of the tonnage in 1914.

On the latter date (January 1, 1928) the merchant service comprised 73 steamers with 98,141 gross tons (56,810 net reg. tons), 33 sailing vessels with 3660 gr. tons (3150 n. r. t.) and 10 motor ships with 2572 gr. tons (1788 n. r. t.). New steamers are being acquired year by year, principally in England.

Shipping Policy. The Government of Latvia are doing the utmost to promote navigation. Credit is granted for the purchase of vessels. Under certain conditions foreign vessels may fly the Latvian flag, thus affording Latvian seamen the opportunity of obtaining permanent employment. Shipbuilding is also reviving gradually. Several shipping companies and steamship owners are developing brisk activity in Latvia. The Krisjan Valdemars Nautical School has been reopened, though Russia has not yet returned the inventory of this and other nautical schools. Several hundred Latvian seamen are engaged on foreign steamers and ocean-liners. The establishing of a free port at Liepaja (Libau) was seriously considered at one time, but unfortunately the free port law passed by the Constituent Assembly, entitling certain organizations to establish free Customs territories in Latvian harbours, has not yet been fully enforced. It is urgently necessary for Latvia to declare one of its harbours, say Liepaja (Libau), a free port, as this would be entirely in Latvia's economic interests.

The commission of the League of Nations which inspected Latvian ports in the year 1926 reported favourably on their equipment. Storm signals have been placed in the Gulf of Riga and along the whole coast. The lighthouses, buoys and other nautical signals have been restored. The Marine Department carries out extensive hydrographical operations in the Gulf of Riga and issues reports regularly. Due attention is also paid to the constructing and equipping of harbours for fishing and coasting service. The harbour of Ainazi (Haynasch), for example, has been completely reconstructed. With the help of the newly acquired icebreaker „Krisjans Valdemars“ (built to the order of the Latvian Government by Messrs. William Beardmore & Company, Scotland), the port of Riga is kept open throughout the winter. Dredging operations are effected in all Latvian harbours so as to ensure a navigable fairway.

MAP of LATVIAN ROADS



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COMMUNICATION.

Railways. The main lines of Latvian railroads run Russiawards, as a natural consequence of the pre-war freight traffic which passed to and from Russia via Latvian territory. These lines connect Latvian harbours with the most important economic centres of Russia, e. g., the railway lines from Riga to Central Russia, from Ventspils (Windau) via the Volga to Siberia, and from Liepaja (Libau) via Vilna to Romny. It is to be hoped that the latter line will be reopened to traffic immediately after the liquidation of the Polish-Lithuanian conflict. During the German occupation, the railways of Latvia were converted to normal gauge (1435 mm), but after the foundation of the Latvian Republic the principal transit lines to Russia were reverted to Russian gauge (1524 mm), with the exception of the Riga-Liepaja (Libau) line which traverses Lithuanian territory at Mosheiki, and the Riga—Jelgava (Mitau)—Berlin line. Normal gauge has also been retained on the Griva—Eglaine line. Latvia possesses at present normal gauge lines 724 kilometres in length and Russian gauge lines 2912 km long, besides which there are also some narrow gauge lines. Several new lines are planned, some of which are now being built. The broad gauge Gluda—Liepaja (Libau) line (obviating the necessity of passing Mosheiki) will be ready in 1928 for local and Russian transit traffic.

The railways were in a catastrophic condition on the proclamation of the Republic. There was a lack of rolling stock, the railway workshops were in an almost dismantled condition, most of the railway stations had been burnt down, station inventory stolen and scattered, and numerous bridges destroyed. The government had to assign large sums (totalling 17 million lats) for restoring the railways. At present, iron bridges have been restored, spanning the Lielupe (Courish Aa) near Riga, the Daugava (Dwina) at Daugavpils (Dvinsk), the Jugla at Jugla (Jägel) and

spanning the river Misse at Jelgava (Mitau). To them will be added the new bridge over the Daugava (Dvina) at Krustpils (Kreutzburg) which will be completed in 1928. Besides these, 368 smaller bridges have been restored and 1202 station buildings of solid construction built anew. The frontier stations at Meitene and Zemgale being particularly attractive. The stations have been re-equipped with the necessary inventory and telegraph apparatus. The repair shops in Riga and Daugavpils (Dvinsk) have been restored and the supply of rolling stock supplemented. 350 engines and over 6000 wagons are in use at present on Latvian railways. The well known Riga wagon factory of „Phoenix“ has resumed work and delivered a number of passenger cars to the Latvian Railway Administration. The Liepaja (Libau) Naval Engineering Works also build wagons. The improvement of railway material stock constitutes one of the main items of extraordinary expenditure in the budget of the Railway Department. Latvian railway officials wear neat uniforms, are well disciplined and able to cope with the great task which devolves on Latvian railway, namely to be a bridge between the West and the East. The expeditious transit of American relief supplies, the bulk of which passed via Latvia, during the Russian famine afforded the best testimony of the excellent organization of Latvian railways. The large elevators in Liepaja (Libau), Ventspils (Windau) and Riga belong to the Railway Administration.

The following table is illuminating as to the length of Railways in the Baltic States, in kilometres:

State	per 100 sq. km	per 10,000 inhabitants
Estonia	2.40	10.10
Finland	1.21	13.09
Lithuania	2.60	7.30
Poland	5.00	7.10
Latvia	4.12	14.48

Traffic and Tariffs. Considering the constant growth of passenger traffic (the number of passengers increased from 0.2 millions in 1921 to 12.3 millions in 1927), it is intended to enlarge the Riga Station and to electrify the Riga strand line, which has to cope with exceedingly brisk traffic in summer. There is also a marked increase of freight traffic: from 1.8 million tons in 1921 to 4 million tons in the year 1927. There are special refrigerator wagons for conveying butter and other perishable goods. The railway tariffs in Latvia are not high either for passengers or freight. The tariffs are divided into several classes, and there are special privileges for long-distance transports and transit goods. The following direct service is maintained with abroad: Paris—Riga—Vladivostok 14 days (by steamer 30 days), Riga—Paris 48 hours, Riga—Moscow 31 hours, Riga—Berlin 23 hours, Riga—Warsaw 18 hours. Direct freight traffic with all European countries and Russia is facilitated by the different transport conventions concluded.

Railway tariffs in Latvia, compared with those of other countries, are very low, with a view to promoting and facilitating traffic. This is revealed in the following table:

Fares in lats.				
In	50 km	100 km	500 km	
Germany	1.98	3.96	20.00	
France	1.98	3.96	20.00	
Lithuania	2.00	4.00	14.40	
Poland	1.56	3.12	13.30	
Switzerland	3.64	7.30	29.10	
Latvia	1.35	2.60	12.80	

Freight rates (in centimes) per ton and 100 km.				
	Grain	Logs	Coal	Cement
Germany	10.7	7.8	5.1	6.1
Sweden	13.0	7.2	8.4	7.2
Czecho Slovakia	9.5	7.2	7.2	7.2
Switzerland	24.6	9.9	13.4	13.4
Latvia	6.4	4.7	4.7	2.9

Apart from which a further reduction of 41.9% to 59.7% from the inland tariff is allowed to transit goods.

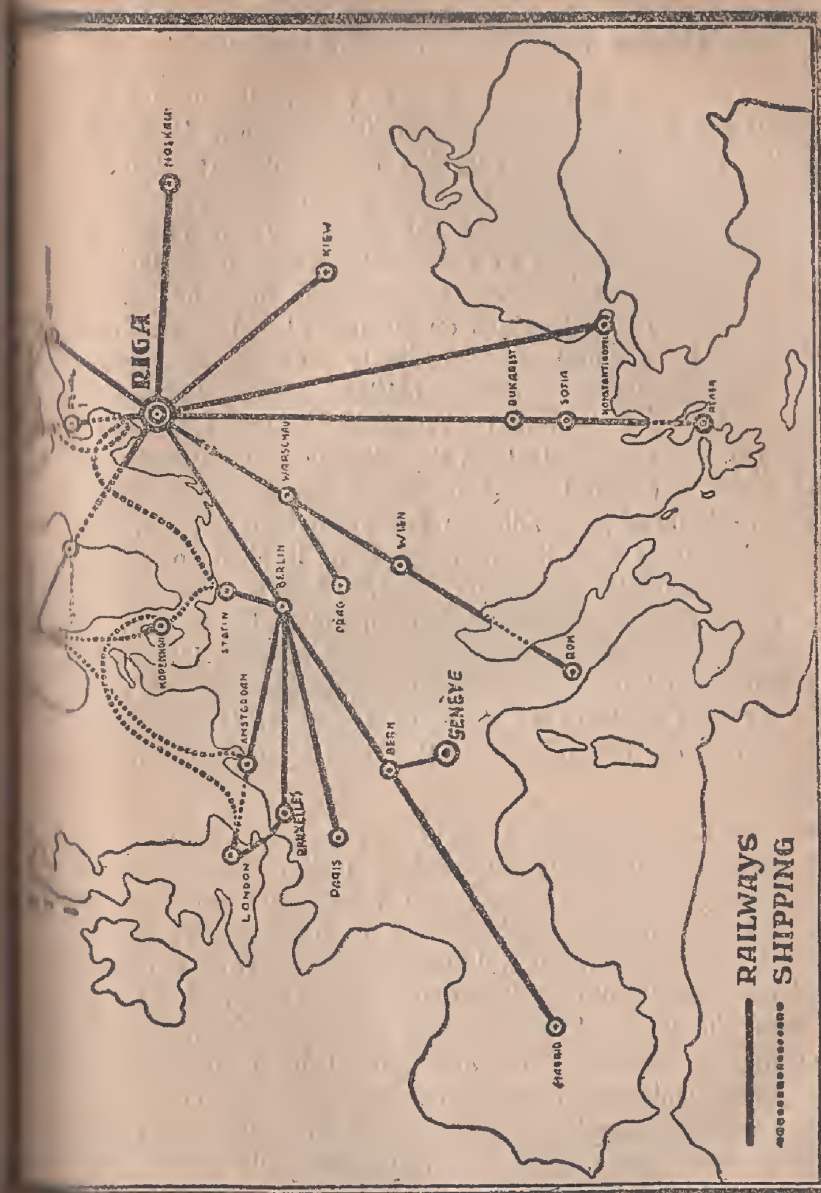
Transit freight rates (in centimes) per ton and km.

N.B. (The distance from North to South across Latvia is 210 kilometres, and the longest distance in the East-West direction is 475 kilometres as the crow flies).

Goods	Distance.					
	200 km		300 km		500 km	
	Inl. tar.	Trans. tar.	In. tar.	Tr. tar.	In. tar.	Tr. tar.
Grain	5.74	3.49	5.40	3.14	5.13	2.6
Flax	10.71	4.88	10.08	4.44	9.58	3.8
Butter and Much- ines	8.92	4.88	8.40	4.44	7.98	3.8
Timber mater. .	5.74	3.49	4.40	3.14	5.13	2.6
Coal	4.24	3.49	4.00	3.14	3.81	2.6

Riga — An Airway Junction. Riga is the centre of eastern European airway service. Four main lines converge here, viz., Berlin—Riga, Riga—Reval—Helsingfors, Riga—Leningrad and Riga—Moscow.

Waterways. Apart from its railways, Latvia possesses various navigable waterways 600 kilometres in length (the Gauja, Daugava, Lielupe etc.,) which serve not only for inland transport but also for the rafting of timber and transit traffic. The brick industry is concentrated on the banks of the Lielupe, and lime kilns on the banks of the Daugava (Dwina). The rivers and their rapids are not yet being fully exploited for electric power. Like the ports, the waterways are under the supervision of the Marine Department. Aquatic sport is growing more and more popular. Several yacht clubs arrange annual regattas on the Lielupe (Courish Aa), the Kisezers (Stint Lake) and



All Routes lead to Riga.

in the Gulf of Riga. Their abundance of fish makes Latvian rivers a veritable paradise for anglers.

Roads. With the exception of a few highroads, Latvian roads are in fairly good condition. There is, however, a law which stipulates that the State has to build 100 kilometres of roads every year. The unemployed are engaged in repairing and improving the roads. There is a special road fund. It cannot be denied that the bad roads impede the development of agriculture and motorbus traffic, which service is maintained on 50 lines already. Automobile traffic is maintained principally on the highroad Königsberg—Kovno—Jelgava (Mitau)—Riga—Sigulda (Sengwold)—Cesis (Wenden)—Valmiera (Wolmar), and Liepāja (Libau)—Memel and along the highroad leading from Riga to the Riga Strand. The highroads are provided with the international signals adopted for automobile traffic. They are constantly kept in order. It is of interest to note that 2000 automobiles were imported into Latvia from 1923 to 1927. Latvia's international automobile sign is LR. The Latvian automobile clubs are connected with the international automobilists' union. Consequently, in the case of private motor cars desirous of entering Latvia, it is necessary to present only the international traffic certificate (trip tickets).

Post and Telegraph. The Post and Telegraph in Latvia are operating in perfect order, with a steadily increasing volume of mail and telegraphic messages year by year. 477 post offices were in operation in the year 1927, apart from the postal functions of the rural administrations. Sixty million despatches passed through the Post Office in 1927. The Post and Telegraph Offices execute all orders customary in international intercourse, as Post Cheque remittances, newspaper subscriptions etc. Latvia also possesses modern radio telegraph and telephone stations (Riga wave 526). News is broadcast daily at 12.30 and

10.30. The Riga radio numbered over 30,000 subscribers in 1927. Radio receivers are installed along the whole coast to warn fishers of weather conditions.

Postal activities in the Baltic States are illustrated in the following table:

State	One Post Office serves		Letters conveyed per inhabitant per annum
	Sq. km.	1000 inhabitants	
Estonia . . .	96.5	2.25	16.9
Finland . . .	147.4	1.3	15.7
Lithuania . .	159.9	6.2	19.0
Poland . . .	100.4	7.0	20.3
Latvia . . .	137.9	3.8	21.5

Telephone. The whole of Latvia is linked together by telephone. Riga has its own dial or automatic system. Long-distance service has been established with Reval, Prague, Berlin, Helsingfors and Warsaw. Seventy million conversations take place by telephone yearly. 543 telephone offices with 25,000 subscribers were registered in Latvia in 1927. The line-net is 8641 kilometres and the cable-net 12,000 kilometres in length. Like the Post and Telegraph, the Telephone service is under the supervision of the Ministry of Communications.

FINANCES.

From all the foregoing facts, it is obvious that Latvia is producing real values and aspiring to economic prosperity. The external indications of this prosperity are revealed by the State finances. For, it is admitted that where the finances are good, i. e., where there is a well regulated State economy, stable currency and an active balance of payments, the State is prospering. What is the situation like in Latvia? In the first place, it

should be borne in mind that, as a devastated and young Republic, Latvia necessarily experienced greater difficulties in stabilizing its finances than did the older countries; but Latvia succeeded, thanks to the coöperation of the whole nation and, particularly, the patriotism of the farmers in placing the first remedial means, their flax supplies, at the disposal of the State. Furthermore, the founding of the State and the enforcement of the agrarian reform gave rise to economic animosity against Latvia, thus precluding the possibility of obtaining external aid. Despite all these difficulties Latvia ultimately succeeded in stabilizing its finances with its own resources.

The Financial Reform. Latvia was the first of the new States to stabilize its currency. This was accomplished in the year 1921, and in the following year full gold cover was provided for Latvian banknotes. How was this achieved? On the proclamation of the Republic in 1918 there were all kinds of money in circulation: German marks, Ost roubles of the Occupation Authorities, Czar roubles, the so-called Duma money, Kerensky notes and paper money of the local communal administrations. In the year 1919 the Government began to issue Latvian roubles at the rate of 1 Latvian rbl. = 1 Ost rouble = 2 German marks = 2 Czar roubles, which latter had already declined in value. At that time the rouble inflation was in full swing in Russia, and Latvia was soon flooded with the same. Speculation was rife among the shady elements on the so-called black Exchange and, despite the currency fund established as a security, the Latvian rouble began to fall. It was necessary, therefore, to become independent of the Czar rouble, the Ost rouble and the mark. On March 18, 1920 the Government declared the Latvian rouble the only legal tender and stipulated that debts incurred in Czar roubles should be paid at the rate of 66 and two-thirds Latvian copecks to the Czar rouble. The rouble emission



Latvian postage stamps of about 150 different kinds issued in Latvia in the past 10 years.

which had already attained 2 milliard Latvian roubles, was checked in May 1920. It is true that the emission was secured with the entire property and possessions of the Latvian State, but Latvia had not yet gained international recognition, and its economic situation was precarious. The rate of the rouble sank lower and lower. Only after peace had been concluded with Russia and Germany, after Latvia had been recognized *de jure* and admitted into the League of Nations, was it possible to stabilize the Latvian rouble by dint of rigid economy, diminution of the official apparatus, promoting private initiative, reorganizing the system of taxation, introducing stable duties, balancing of the budget, augmenting exports and accumulating capital, which process was facilitated by good crops and the favourable prices of flax and timber. This gigantic effort was made in order to raise the rate of the Latvian rouble from 2800 to the pound sterling to 1250, at which level the stabilization was effected. All currency limitations were removed in May 1921, and in June of the same year expired the leather and linseed monopoly, which had proved unprofitable. The Ministry of Supplies was then liquidated, as private trade was now able to take its place. The Ministry of Trade and Industry was merged in the Ministry of Finance. Various superfluous institutions and State enterprises were liquidated. By October 1, 1921 the Government possessed a currency fund of 58 million gold francs and a gold reserve in bullion and coin to the extent of 30 million gold francs. The Government sold flax and timber for Latvian roubles only, and so it came about that in November 1921 the rate of the pound sterling declined to 1250 Latvian roubles. The law regarding the monetary unit, — the „Lat“ — was published on August 3, 1922, valuing the lat at 50 Latvian roubles, i. e., as much as a gold franc cost at that time. Henceforth all payments, taxes and accounts were reckoned and effected in lats. Credit was granted in lats. Credits granted previously in

roubles were converted into lats. Joint stock companies and banks adopted the lat as the basis of calculation. Thus, people at home and abroad grew accustomed to the lat, which was now being quoted on foreign Exchanges. A special emission bank, „The Bank of Latvia“ was founded on September 19, 1922, and took over the assets and liabilities of the State Treasury (footed with 2.4 milliard rbls) and a foreign currency fund aggregating 30 million gold francs. The Bank began to issue lat banknotes, covered to the extent of 100%. The Bank paid for one lat 0.2908226 grammes of pure gold or the equivalent in foreign currency. The gold dollar is equal to 5.18 lats, and the pound sterling to 25.22 lats, at which level the rate of the lat remains, the only fluctuation being in connection with the price of gold. Thus was created the lat, and in this way the financial reform was accomplished in Latvia. In this connection great credit is due to Mr. Ringold Kalning, former Minister of Finance and Chairman of the Council of the Bank of Latvia.

The Rate of the Dollar and Pound on Riga Exchange

April 1, 1923	Ls 5.18 and Ls 23.95
„ 1, 1924	„ 5.18 „ „ 22.26
„ 1, 1925	„ 5.19 „ „ 24.76
„ 1, 1926	„ 5.18 „ „ 25.21
„ 1, 1927	„ 5.19 „ „ 25.20
„ 1, 1928	„ 5.17 „ „ 25.20

Paper-money and Specie. Apart from the banknotes which the Bank of Latvia emits and changes for gold, there are State Treasury notes (roubles) in circulation, the rate of which, as already observed, is 50 to the lat. In accordance with the percentage laid down by law, State Treasury notes are withdrawn from circulation for a sum of one million lats every year. There are in circulation at present State Treasury notes of 500-roubles denomination and notes of 5 and 10 lats, the smaller denominations having been withdrawn already and replaced by specie of the following denominations: 2 and 1 lat pieces of silver, 50, 20 and 10

centimes of nickel, 5, 2 and 1 centime pieces of bronze. The banknotes emitted by the Bank of Latvia are of the following denominations: 20 lats (yellow), 50 lats (brown) and 100 lats (blue). The 20 and 50-lat banknotes were printed by Messrs. Waterlow and Sons in England; the 100-lat notes by the State Printing Office in Latvia. Latvian silver coins were made by the British Royal Mint. There were in circulation on January 1, 1928: State Treasury notes for 33.6 million lats, specie to the aggregate value of 23 million lats and banknotes for 37.3 million lats. The latter are secured to the extent of 100% with gold and gilt-edged securities, though a cover of only 75% is stipulated in the statutes of the emission bank. The State Treasury notes are guaranteed with the entire property of the State. Considering that the State Budget was footed with 164 million lats in the fiscal year 1928-29, the amount of money in circulation (94 million lats) among a population of 1.8 million souls is by no means large. For it amounts to only 9.2 dollars per capita (England 53.1, France 45.9, Switzerland 49.1, Sweden 26.1, Austria 19.2, Italy 15.7, Germany 14.2, Yugo Slavia 8.6, Estonia 8.3, Poland 2.6).

National Wealth and State Debts. Latvia's national wealth is estimated at about 5.5 milliard lats. Thereof, agriculture 55.5%, the municipalities 28%, railways 7.7%, industries 5% etc.

The foreign debt of the State totals 83.5 million lats or 9 dollars per head of the population (Italy 200 dollars, France 500, England 900, Switzerland 200 dollars). Latvia's foreign debts are only about 0.7% of the State's assets, which aggregated 2 milliards in the year 1926. All the foreign debts of the State have been funded: the debt to England of 2.32 million pounds sterling including interest payable in 30 years, and to the United States of America 5.77 million dollars including interest in 62 years. Amortization and interest involve large sums annually. For example, in the budget year 1928-29 a sum of 2,3

million lats. The Minister of Finance, Mr. R. Liepins, signed on June 7th, 1928, an agreement with the Swedish Match Syndicate for a loan of 6 Million dollars, at 6%, issue 92; payable in 35 years. This amount shall be utilized mainly for agricultural loans.

Latvia's internal debt is insignificant, comprising only an internal loan of 579,454 lats. As regards the old Russian debts, the Latvian portion thereof is assumed by Soviet Russia by virtue of the peace treaty concluded in the year 1920 and registered at the League of Nations.

Latvia's Foreign State Debts and their Amortisation.

Budget Year	United States of America \$	British Government £	Metal and Chemical Bank £
1919/20			
Debt	5.775.000	2 300.000	—
Paid	—	—	—
Balance 1920/21	5.775.000	2.300.000	—
Debt	5.775.000	2.300.000	—
Increase	—	20.169 1/10	—
Total	5.775.000	2.320.169 1/10	—
Paid	—	—	—
Balance 1921/22	5.775.000	2.320.169 1/10	—
Debt	5.775.000	2.320.169 1/10	—
Increase	—	—	—
Total	5.775.000	2.320.169 1/10	775.000
Paid	—	—	775.000
Balance 1922/23	5.775.000	2.320.169 1/10	775.000
Debt	5.775.000	2.320.169 1/10	775.000
Paid	—	—	—
Balance 1923/24	5 775.000	2.320.169 1/10	600.697 8/6
Debt	5.775.000	2.320.169 1/10	174.302 13/6
Increase	—	—	174.302 13/6
Total	5.775.000	2.320.169 1/10	174.302 13/6
Paid	—	—	24.302 13/6
Balance 1924/25	5.775 000	2.320.169 1/10	150.000
Debt	5.775.000	2.320.169 1/10	150.000
Paid	—	20.169 1/10	51.373 7/—
Balance 1925/26	5.775.000	2.300.000	98.626 13/—
Debt	5.775.000	2.300.000	98.626 13/—
Paid	—	—	—
Balance 1926/27	5 775.000	2.300.000	98.626 13/—
Debt	5.775.000	2.300.000	—

Budget Year	United States of America \$	British Government £	Metal and Chemical Bank £
Paid	60.000	75.000	—
Balance	5.715.000	2.225.000	—
December 1927	5.715.000	2.225.000	—
Debt	5.715.000	2.225.000	—
Paid	70.000	75.000	—
Balance	5.645.000	2.150.000	—

Budget Year	French Government Fr.	Norwegian Government N. Kr.	Estonian Government E. Mk.
1919/20			
Debt	11.631.139,01	—	—
Paid	2.361.643,20	—	—
Balance 1920/21	9.269.495,81	—	—
Debt	9.269.495,81	—	—
Increase	—	6.738.127,50	—
Total	9.269.495,81	6.738.127,50	—
Paid	6.277.979,20	—	—
Balance 1921/22	2.991.516,61	6.738.127,50	—
Debt	2.991.516,61	6.738.127,50	—
Increase	—	—	—
Total	2.991.516,61	6.738.127,50	—
Paid	750.000,—	569.07	—
Balance 1922/23	2.241.516,61	6.737.558,43	—
Debt	2.241.516,61	6.737.558,43	—
Paid	1.000.000,—	—	—
Balance 1923/24	1.241.516,61	6.737.558,43	—
Debt	1.241.516 61	6.737.558,43	—
Increase	180.233,78	—	30.000.000
Total	1.421.750,39	6.737.558,43	30.000.000
Paid	1.421.750,39	2.000.000,—	—
Balance 1924/25	—	4.737.558,43	30.000.000
Debt	—	4.737.558,43	30.000.000
Paid	—	4.737.558,43	30.000.000

Thus, Latvia has settled its indebtedness to the Governments of France, Norway and Estonia, and to the

Metal and Chemical Bank of London. And as mentioned above, the State's indebtedness to the United States of America and to the British Government has been satisfactorily funded.

Converted into Latvian currency at the rate of exchange obtaining on March 31 1926, Latvia's foreign debt declined from 116,109,293 lats in 1922-23 to 83,569,340 lats in December 1927; and the internal debt from 1,875,757 lats to 579,454 lats in the same period.

The Budget. The budget year commences on April 1. The economic plan, it should be observed, is not based upon the activities of the different Ministries, but is compiled according to the actual items of revenue and expenditure. The State enterprises figure in the budget only to the extent of their net profit or loss. The fulfilment of the budget according to extracts from the State ledgers is depicted in a monthly bulletin.

Despite the difficulty experienced in maintaining an evenly balanced budget, the finances of the State are well regulated and in a satisfactory condition. The Budget varies in the neighbourhood of 160 million gold francs (160.9 million lats in 1925-26, and 164.1 million lats in 1928-29). In recent years the budget showed no deficit. The principal items of revenue are: Customs duties (about 28%), flax and spirit monopolies (about 18%), excise on tobacco, liquor and naphtha products (about 10%). It is obvious that Latvia's budget is based chiefly on indirect taxation.

These items of revenue recur with inconsiderable changes every year, though a diminution is apt to occur in the future, accompanied by a corresponding decrease of expenditure. The anti-alcohol law has been modified in the current year 1928, permitting firstclass restaurants to serve alcoholic liquor until 2 a.m., and allowing a more unhindered sale of beer. Revenue from the forests may increase as a result of the better conjuncture obtaining at present. The export duty on timber will be reduced as from January 1, 1929.

State incomes.

Classification.	1928./29. Ls.	1927./28. Ls.	1926./27. Ls.
I. Taxes	87.538.000.—	90.236.500.—	92.326.500.—
customs	45.220.000.—	48.780.000.—	51.076.000.—
excises	17.285.000.—	17.545.000.—	16.070.000.—
II. Rates and other payments	11.070.642.—	11.209.181.—	10.957.713.—
III. State monopolies	32.052.364.—	30.755.330.—	31.026.016.—
Flax monopoly	1.500.000.—	1.500.000.—	2.500.000.—
Alcohol monopoly	28.000.000.—	27.250.000.—	26.777.000.—
IV. State forests, land waters and buildings	15.291.557.—	15.253.810.—	20.651.009.—
forests	13.504.500.—	13.201.907.—	18.641.596.—
V. State enterprises, railways	8.410.006.—	7.236.744.—	4.740.551.—
railways	7.240.103.—	6.213.826.—	3.875.847.—
VI. State credit-institutions and State funds.	7.267.713.—	6.179.000.—	5.717.481.—
VII. Realisation of State-assets	529.600.—	884.660.—	2.380.901.—
VIII. State loans	40.000.—	20.000.—	20.000.—
IX. Sundry incomes.	1.909.768.—	1.821.531.—	2.107.105.—
Total: . . .	164.109.650.—	163.596.756.—	169.927.276.—

State Expenditure. Year by year the expenditure in the budget is systematically reduced: from 192.8 million lats in the budget year 1922-23 (the year in which the lat was stabilized) to 164.1 million lats in 1928-29. This is mainly the outcome of a strict economy campaign, as revealed in the reduction of extraordinary expenditure which, at the outset, was very large owing to the exigencies of restoration. It is noteworthy that, in fact, a large portion of the expenditure budget, viz., 25% yearly, is tantamount to capital invested. For example, the operative capital of the State Land and Mortgage Banks, sums invested in various structures, in the

acquisition of real estate, in the issue of loans, the building of workshops, power stations, bridges, railways etc., which other countries accomplish with the help of foreign loans. In general, the Latvian State Budget is rather small compared, for instance, with the budget of the Town of Riga which totalled about 30 million lats in the year 1928.

State expenditure.

Classification.	1928./29. Ls.	1927./28. Ls.	1926./27. Ls.
I. Highest State institutions	2,002,600.—	2,465,347.—	2,470,667.—
II. Foreign Affairs	2,445,888.—	2,275,654.—	2,503,492.—
III. Internal security	8,007,992.—	8,215,998.—	8,444,252.—
IV. Courts and prisons	6,091,939.—	5,645,848.—	5,631,776.—
V. Education	21,170,740.—	21,375,480.—	20,584,751.—
VI. Social relief and protection of labour	14,678,332.—	11,851,279.—	12,730,417.—
VII. Sanitary inspection and health	3,140,097.—	2,762,364.—	2,365,255.—
VIII. Supervision of economical development and subsidies	7,891,576.—	7,184,852.—	11,372,967.—
IX. Communication	11,091,620.—	10,703,730.—	12,141,188.—
X. Finances	4,677,270.—	4,258,810.—	4,450,376.—
XI. State Debts	2,382,300.—	2,384,920.—	3,597,233.—
XII. Capital investments	37,292,403.—	37,065,707.—	34,916,258.—
XIII. Various administrative institutions	703,270.—	920,895.—	662,887.—
XIV. Sundry expenses	1,962,100.—	5,408,600.—	2,402,320.—
XV. War	39,371,430.—	41,077,272.—	45,515,533.—
Total:	164,109,650.—	163,596,756.—	169,789,372.—

Fulfilment of the Budget. It has so far been possible to close the budget with a surplus every year: in 1922-23 a surplus of 17.5 million lats, 1923-24 of 36.8 million lats, in 1924-25 of 19.36 million lats, in 1925-26 of 14.6 millions and in 1926-27 a surplus of 4.58 million lats. The decreased surplus is due to the smaller profit rendered by the flax mo-

nopoly, reduced revenue from timber export, as reflected in the systematic reduction of the budget total. It is interesting to recall the fact that, in the year 1913, the Russian Minister of Finance reckoned that the territory of Latvia rendered the Russian State 235.10 million gold francs per annum, but involved expenditure to the extent of only 144.8 million gold francs, which included Latvia's share of expenditure for the upkeep of the army, the imperial court and diplomatic service. Thus, there was left a net profit of 90.3 million gold francs. Today, the revenue of the Latvian State is much smaller, amounting to only 164.1 million lats in the budget year 1928-29, from which it is obvious that taxation is considerably lower than in the days of Russian supremacy.

The Budget for 1928-29 was passed by Parliament on March 30, 1928, and foresees the following revenue and expenditure:

A. ORDINARY.

Classification	Revenue Ls	Expenditure Ls
I. Presidency	13,070	151,729
II. Parliament	1,840	1,031,487
III. Cabinet	68,403	240,882
IV. State Control	4,572	1,050,692
V. Foreign Office	1,831,900	2,407,888
VI. Justice	2,320,184	5,978,439
VII. Interior	1,838,025	8,682,346
VIII. Education	2,020,327	17,903,771
IX. Finance	129,113,750	11,997,561
X. Agriculture	12,190,851	6,184,429
XI. Transport	9,722,283	3,114,583
XII. Public Welfare	822,130	15,479,570
XIII. Board of Statistics	35,000	436,416
XIV. War	177,815	33,240,630
Total	160,160,150	107,900,423

B. EXTRAORDINARY.

Foreign Office	—	50,000
Justice	—	113,500
Interior	—	120,000
Education?	—	650,000
Finance	140,000	29,772,213
Agriculture	3,809,500	2,552,900
Transport	—	16,255,864
Public Welfare	—	563,950
War	—	6,130,800
Total	3,949,500	56,209,227
Grand Total	164,109,650	164,109,650

The ordinary revenue of the Ministry of Finance embraces such items as the flax monopoly 1.5 million lats, progressive income tax 5.5 millions, real estate tax 4.4, trade and industry tax 4.8, stamp duty 8.5, excise 17.2, spirit monopoly 28 millions, Customs duties 45 millions and Harbour dues 2.5 million lats.

Under „Agriculture“ the State forests are expected to yield 10 million lats. The Ministry of Transport expects the Post, Telegraph and Telephone to render 2.4 millions, and the Railways 7.2 million lats. The revenue of the Foreign Office is appraised at 1.8 million lats to be derived from visas and other Consular fees. The Ministry of Agriculture foresees an extraordinary revenue from the State forests to the extent of 3.5 million lats.

The expenditure of the Ministry of Interior is incurred mainly for purposes of internal security and the maintenance of militia organizations. The Ministry of Education spends 8 million lats for primary schools, 2.1 millions for secondary education, about 2 millions for the technical schools and 3.4 million lats on the University. Furthermore, 0.29 million lats for the Conservatoire and an equal sum for the Academy of Art.

The Ministry of Finance makes provision for the payment of foreign debts to the extent of 2.3 million lats, as well as support to various coöperative institutions. Altogether a sum of 3 million lats is reserved for the Marine Department, including 1.1 million lats for port repairs.

The extraordinary expenditure of the Ministry of Finance includes 10 million lats for rural structures, 2 million for loans to dairies, 2.2 millions for the Land Bank, 1 million lats for purchasing land for the landless, 3.3 millions for the Mortgage Bank for promoting shipping, industry and housebuilding.

The Ministry of Transport makes provision for railway construction to the extent of 9.3 million lats, ways 2.5 millions, bridges 1.2 and Post, Telephone and Telegraph 3.1 million lats.

It is of interest to observe that, year by year, the expenditure for military purposes is decreasing, while capital investments of a decidedly productive character are increasing, as the following table shows:

Fiscal Year	Capital Investments	War
1926-27	34.9	45.5
1927-28	37.0	41
1928-29	37.2	39.3

Satisfactory development is also registered in the appropriation of funds for cultural purposes, social relief and for the paying of debts and interests, as the following table shows:

Year	Education	Public Welfare	Interest u. Debt.
1926-27	20.5	12.7	3.5
1927-28	21.3	11.8	2.3
1928-29	21.1	14.6	2.3

Pensions involve 3.85% of the budget, the improvement of harbours 2% and roads 5%.

Thus it is observed that 34.25% of the aggregate expenditure in the 1928-29 fiscal year will be employed for extraordinary investments. This 56 million large extraordinary budget comprises the following items:

	1000 Ls	%
Fundamental repairs and new structures	2,134.5	3.0
Transport (ports, railways, post etc.)	17,458.0	31.0
Financial aid etc.	3,114.0	5.0
Loans	20,910.0	37.0
Founded and operative capital for State enterprises and institutions	3,391.8	6.0
Amelioration	1,700.0	3.0
War Department	6,130.8	10.9
Public Works and social relief	1,369.9	2.4
Total	56,209.2	100.00

Such is the numerical aspect of the new economic year 1928-29.*) This new budget is, in general, very similar to those of previous years.

The Bank of Latvia. The financial operations of the State and the emission of banknotes are entrusted to the Bank of Latvia which was founded in the year 1922. At the head of this autonomous institution is a Director General (K. Vanags), but the members of the Board are appointed by the Cabinet, as the Bank operates with State means. The founded capital of the Bank of Latvia amounts to 10 million lats, to which is added 25% of the net profit every year. The capital now totals 15.5 million lats. The net profit of the Bank in recent years was as follows: in 1923 — 0.18 million lats, in 1924 — 5.60 millions, in 1925 — 7.15, in 1926 — 3.75 and in 1927 — 4.80 million lats. Large amounts are written off every year, thus diminishing the net profit. Reserve capital amounts to 5.5 million lats. A Clearing House for settling accounts of private banks and firms has been attached to the Bank of Latvia since January 1, 1927.

Private Deposits. The private deposits in the Bank of Latvia totalled 52.4 million lats in the year 1926, and 60.6 millions on January 1, 1928, as against 42 million lats in

*) For particularities see: J. Bokalders. The Latvian Economist Riga, 1928.

the year 1924. The growth of private deposits is slow but steady, as is obvious from the fact that the deposits in all Latvian credit institutions aggregated 108.2 million lats in the year 1926, as against 90.3 millions in 1925. They totalled 139.4 million lats on January 1, 1928. There is also an increase in the State's deposits: from 35.9 million lats in the year 1923 to 85.7 millions in 1927. These sums are also at the disposal of the Bank of Latvia, and the latter operates with them. The Bank also has at its disposal a gold fund of 23.72 million lats and possessed on June 6, 1928 foreign currency to the value of 78 million lats as security for the emission of banknotes.

Credits. The Bank of Latvia also accomodates trade, industry and agriculture with credit. The Bank's credit policy is determined by its Council (J. Celms, Chairman). But the Minister of Finance has veto rights in the affairs of the Bank of Latvia.

With its short term loans the Bank of Latvia is unable to satisfy all demands for credit. Long term credit is required for the development of agriculture and industry. The Mortgage Bank is still in its infancy in Latvia. With a view to meeting the demands for long term credit, the Government established the State Land Bank and the State Mortgage Bank, the latter being specially for municipal building requirements.

Loans of State Banks (lats, in millions)

Bank of Latvia.	Dec.1924.	Dec.1925.	Dec.1926.	Dec.1927.
Bill discount	52.1	72.1	80.7	72.7
Loans	50.7	51.0	53.8	52.8
Land Bank.				
Short term loans	25.9	32.6	36.7	36.1
6% Debentures	5.3	9.0	14.2	20.6
4% Debentures	—	5.2	26.7	50.6
Mortgage Bank.				
8% Debentures and provisional short term loans	3.4	12.1	19.6	23.1

Private Banks and Insurance Companies. There are 10 operation in Latvia, besides the State Bank, 20 private banks, 4 municipal banks, one Exchange bank and a number of other credit institutions as, for example, 33 mutual credit societies, 587 credit coöperative institutions, making a total of 722 credit institutions. An increase of loan operations is registered also in private credit institutions, loans having been issued by the latter for the sum of 175.7 million lats at the end of 1926, and even 189.6 million lats in November 1927.

Loans in millions of lats.

	Dec. 31. 1924	Dec. 31. 1925	Dec. 31. 1926	Dec. 31. 1927
Banks	68.0	80.3	90.5	98.4
Mutual Credit Societies	13.1	17.1	19.1	20.8
Savings & Loan Banks	33.1	53.0	63.6	68.4
Pawnshops	1.2	2.0	2.5	2.6

The founding of new banks is permitted now only in case the founded capital amounts to at least 5 million lats. The twenty private banks in Latvia possess, altogether, a rather small capital, aggregating not more than 26 million lats. Most of these banks require the re discount of the Bank of Latvia, and grant credits at higher rates. In this connection, a law was passed by Parliament in the year 1926 and enforced as from January 1, 1927, fixing the maximal rate of bank interest at 12% per annum. It is noteworthy that some of the private banks spend large sums for their administrative organs and are able to pay dividends ranging between 7 and 9 percent. Three of these banks even declared a dividend of 12% in the year 1925, according to data of the well known financial expert Dr. Siew. Among the private banks, a special prominence attaches to the following: the Latvian Farmers' Bank, the coöperative People's Bank, the Riga Town Discount Bank, the Latgallian Bank and the municipal Bank of the Riga Strand, which serve the widest circles of the population and grant credits at low rates of interest. The private credit

associations and savings and loan banks also receive credit from the Bank of Latvia. The ten insurance companies in Latvia are operating with rather small capital (3.96 million lats). However, they collected premiums for the sum of 7.3 million lats in the year 1925, as against payments made to the extent of 3.98 million lats. Foreign insurance companies are not allowed to operate in Latvia.

Foreign capital in Latvia.

Foreign capital is invested in commercial and industrial enterprises, and in banks. Holders of capitals living abroad are free of income-taxes. Foreign capital is employed either in the founding of new joint stock companies, or is invested in already existing companies or in establishing Latvian branches of foreign companies, registered here as independent undertakings. Foreign capital also operates in various enterprises, without direct participation, in various forms of credit. These sums present a total of about one and a half million lats.

Foreign capital represents 61.9% of the aggregate capital invested in Latvian joint stock banks, while the percentage of foreign participation in other economic branches is as follows: Insurance 27.8%, trade 33.9%, transport 63.1% and industry about 50%.

Participation of Capital in Latvian Joint Stock Banks.

	(in lats). 1925	1927 (1. 1.)
Latvia	8,175,750	10,390,000
United States of America . . .	4,024,470	6,899,000
Soviet Russia	1,000,000	2,000,000
Germany	852,530	1,614,000
Czecho-Slovakia	490,000	1,025,000
England	855,000	1,025,000
Sweden	852,508	852,500
Former Russia	302,812	66,000
Holland	—	207,000
Belgium	66,000	192,000

	(in lats).	1925	1927 (1. 1.)
Estonia		60.930	172.000
Switzerland		90.000	187.000
Lithuania		54.340	72.000
Denmark		—	3.000
Other countries		142.110	20.000
Total:	16.966.450		25.709.000

A very comprehensive picture of the participation of foreign capital in share companies is afforded by the following table, taken from the „Edition du bureau Statist de l'Etat de Lettonie, les sociétés anonymes 1924-1926, Riga 1927:

Participation of Foreign Capital in Share Companies.

Stock capital Percentage	Number of Share Companies	
	1925	1926
Up to 10%	19	25
11 „ 20%	9	15
21 „ 30%	9	20
31 „ 40%	18	11
41 „ 50%	14	18
51 „ 60%	11	16
61 „ 70%	14	7
71 „ 80%	3	18
81 „ 90	15	14
91 „ 99%	28	37
100 percent	18	13
Total . .	158	196

The number of share companies with exclusively Latvian capital, being . . .110 . . .120

In the year 1926 foreign capital participated in 62% of all share companies, whereby in 107 companies the participation of foreign capital exceeded 50%, while 15 companies operated exclusively with foreign capital.



100 lats (8.8×15.4 cm)



50 lats (8×14.5 cm)



20 lats (7.4×13.6 cm)



There is a marked tendency towards increased participation of foreign capital in Latvian undertakings, though preference is shown to certain branches. Thus, from 1925 to 1926, the participation of foreign capital in joint stock banks increased by 5,764,000 lats, in the chemical industry by 3,782,000 lats, metallurgical by 1,917,000 lats and in the textile industry by 1,753,000 lats. Altogether, its participation increased by 29,349,000 lats in that period, as the following table shows:

	1925	1926	1927
	(lats, in thousands)		
1. Textile industry	5,752	7,505	9,686
2. Metallurgical	3,546	5,463	5,343
3. Woodworking	2,502	2,926	3,294
4. Paper and allied industries	6,074	6,965	7,852
5. Animal products	2,765	2,557	2,678
6. Mineral industry	654	983	896
7. Chemical industry	6,336	10,118	15,324
8. Foodstuffs & Delicacies .	1,607	2,278	2,678
9. Transport	12,573	13,495	14,630
10. Insurance	781	912	890
11. Banks	8,791	14,555	15,319
12. Commerce	3,809	4,709	4,213
13. Miscellaneous	813	1,712	3,200
Total . .	56,003	74,174	85,352

In this connection, German capital ranks foremost, playing the decisive or at least the leading role in many branches. This is particularly noticeable in banks, where the influence of German capital is steadily growing. And not only in this respect does Germany play a prominent part, but also in Latvian import trade. Germany contributed 33% of our imports in the past two years, as against 28% in the year 1922. In the aggregate turnover of merchandise Germany participated with 157 million lats in 1927, as against 58.5 millions in 1922. In such circumstances it is natural that Germany endeavours to augment its participation in Latvian joint stock undertakings.

British capital is invested preferably in the textile industry, while the participation of former Russian capital dates back to pre-war times.

Classification of Stock Capital according to Origin.

	(in lats).		
	1925	1926	1927
Latvia	56,109,388	66,563,538	72,734,000
Germany	5,828,313	9,509,015	12,508,000
Great Britain	6,067,546	8,138,380	10,585,000
Former Russia	6,504,025	8,112,351	8,599,000
France	7,242,300	7,991,786	8,897,000
U. S. A.	4,618,622	7,828,600	8,246,000
Belgium	6,896,400	7,067,440	7,197,000
Denmark	4,861,337	4,880,461	4,973,000
Sweden	1,981,800	3,470,765	3,987,000
Holland	2,357,696	3,224,548	5,255,000
Estonia	2,633,230	3,166,540	3,946,000
Czecho Slovakia	1,480,622	2,454,673	2,709,000
Soviet Russia	1,054,405	2,166,700	2,166,000
Lithuania	1,118,913	1,754,747	1,857,000
Switzerland	865,973	1,247,490	1,458,000
Poland	470,765	1,162,200	1,333,000
Finland	441,272	585,725	587,000
Turkey	278,120	327,200	346,000
Norway	344,700	207,900	319,000
Danzig	—	204,000	210,000
Afghanistan	75,000	75,000	75,000
Italy	6,600	24,000	24,000
Brazil	15,000	—	16,000
Roumania	—	16,352	16,352
Austria	1,500	—	12,500
Other Countries	858,843	557,799	72,000
Total	112,112,370	140,737,211	153,136,000

The Baltic States participated with 4,664,000 lats and 6,670,000 lats in the period under review, a particular

importance attaching to Estonia's investment of 3,946,000 lats principally in the paper and textile industries.

The following table depicts the results achieved by share companies in thousands of lats:

Year	Gross profit	Loss	Net profit
1923	5,576	634	4,942
1924	8,099	3,642	4,457
1925	9,867	4,233	5,634

Foreign Loan. The question of a foreign loan for covering the extraordinary expenditure with which the budget is heavily burdened every year, has been under serious discussion lately. However, such a loan is worth while only if concluded at such a rate of interest as renders possible a reduction of the Bank of Latvia's discount rate. The outstanding debt of the Town of Riga greatly impedes the realization of a foreign loan. But this should not constitute an insurmountable difficulty, because although the Town concluded the transaction, it did not make use of the loan independently, for the Russian Government transferred the money to Petrograd at the beginning of the war and appropriated the same for military purposes. Furthermore, the deposits of Latvian citizens in the Russian State Bank and its branches (over 80 million gold roubles) were transferred to Russia, and have not been refunded up to this day, despite the undertaking of the Soviet Government to do so. Similarly, Latvia has lost all the property evacuated from Latvian towns to the interior of Russia during the war, for which no compensation has been received.

The following table shows some of the openings for the investment of capital in Latvia:

Branch	Requisite Sum	Profit
Big industries	15 million lats	10%
Projected Dole Power station:		
small scheme	35	6.7 to 7%
large scheme	200	" "
Small industries	5	10%

Municipal electric stations . . .	10	million lats	10%
Smaller electr. stations . . .	5	" "	6.5 "
Shipping	2	" "	8%

Credit is also required for the promotion of banking and trade, especially transit trade, and naturally also for the rural industries and agriculture. The State Mortgage and Land Banks offer good openings for the investment of capital through acquiring the debentures issued by these institutions. There are other sound and attractive investments as, for example, the extension of the Riga central passenger station and the erection of a Station Hotel, the electrification of the Riga Strand line, the exploitation of Latvian health resorts, especially Kemerī (Kemmer) Baldone and Liepāja (Libau) with their curative springs and mud baths. Latvian towns, 57 in number, also require capital for various municipal undertakings of a remunerative character, as canalization, water supply and electric light. The utilization of peat for electric power stations, which has been quite inconsiderable so far, offers lucrative possibilities. The same applies to the spinning and weaving of flax, the woodworking, sugar and the tanning industries.

Latvia's Economic Situation. The foregoing economic survey shows that Latvia's State economy is systematized and based upon private proprietary rights and private initiative. Latvian export is growing from year to year, production is increasing and the Budget is by no means exorbitant. There are good prospects for agriculture and certain branches of industry. The supply of rolling stock and other inventory has been restored in part, and this process is continuing. Latvia is not overburdened with foreign debts. Unemployment is not acute and there is no sign of an economic crisis, though some difficulty is experienced by certain economic branches which are in process of reorganization and concentration. This is perceptible in trade, certain branches of industry and private banks as a result of their miscalculation. The most pressing problems

in Latvia's economic structure are the intensifying of agriculture and the judicious expansion of industry. This calls for increased buying ability in the internal market and access to new markets.

IV. POLITICAL PROBLEMS.

Participation of Minorities. In refutation of the allegation which is sometimes made to the effect that the minorities are debarred from active participation in the economic life of the country, the census of the year 1925 shows that, in keeping with their percentage, the minorities take an intensive part in the leading economic departments.

Population of Latvia comprising	Engaged in						
	Agriculture 60.99%	Industry 12.61%	Trade 6.13%	Transport 3.52%	Civil Service 1.54%	Army 12.4%	Liberal Profession 2.92%
Latvians (75.6%) . . .	80.2	65.9	37.47	71.99	83.40	81.14	53.66
Germans (3.3%) . . .	0.96	7.98	12.24	4.65	6.00	3.03	18.95
Russians & White Russians (12.3%) . . .	15.34	8.10	4.85	8.87	5.43	8.21	9.14
Jews (4.5%) . .	0.08	11.00	40.71	4.01	0.42	2.79	13.11
Poles (2.5%) . .	1.85	4.19	1.97	6.32	2.86	3.43	2.66
Lithuanians (0.7%) . . .	0.93	1.78	0.91	2.89	0.82	0.71	0.78
Estonians & others . . .	0.38	0.59	0.42	0.50	0.35	0.34	0.46

This table shows that the minorities participate largely in the economic life of the State. It also reveals the predominance of the Latvians in all departments, as is to be expected of the dominant majority of the population. Only in trade are the Jews preponderant, and in the liberal

professions the Latvians figure to the extent of 53% only. This is due to the fact that, for centuries, the Latvians were debarred from municipal avocations and higher education. The small percentage of minorities in the administration or civil service is due to the fact that, with the exception of the Germans, the minorities took very little part in the founding of the State, and their activities are therefore confined mostly to the communal administrations. The number of government officials and employees has been considerably reduced in recent years. It is, therefore, not surprising if the number of minorities engaged in the civil service has not increased. However the minorities are represented in all branches of public and private activity.

The social Problem. Let us now consider the question as to whether the people of Latvia are satisfied and reasonably provided for. In the first place, the laws of the land afford everyone the opportunity to ensure his existence on the basis of free competition and efficiency. Everyone is at liberty to practise his own profession and conduct his own business. With the exception of a couple of thousand unemployed, the people of Latvia are working and earning their livelihood. There are no sharp social contrasts in Latvia, which is essentially a country of small farmers. There are about 230,000 landowners, over 100,000 houseowners, 10,000 fishers, nearly 40,000 merchants, several thousand members of the liberal professions, 40,000 State employees, 15,000 municipal employees, a few thousand artisans, nearly 190,000 agricultural labourers, 57,000 fully occupied industrial workers, 2000 clerks and so forth. The interests of all these citizens and their families are closely connected with the welfare and the independence of the country. Revolutionary theories find no response in Latvia, for in its construction Latvia is a democratic republic, which affords not only its own citizens but also some 40,000 foreigners reasonable means of existence. There is also no cause for

anti-State tendencies, there being no restrictions to normal social development. The agrarian reform has brought satisfaction to the rural population, social legislation meets the requirements of Labour, the credits granted by the State tend to stimulate private initiative, the Army safeguards the security of the country, Parliament (Saeima) elected by universal suffrage, passes the necessary laws, and the Government, which is responsible to Parliament, is solicitous for internal order and for economic and cultural progress. An earnest desire to take part in the State's economic construction is apparent in all circles of the population, and there is a growing sense of national solidarity. The independence of the State has become indispensable to all classes of the population. Latvian patriotism is sound, democratic and progressive. It is based upon the determination to defend the country, to build up its future on the foundation of tolerance and mutual esteem, and to bring up the younger generation in an atmosphere of religion and national pride.

The Future of Latvia. Can Latvia continue to exist? Surely, Latvia will exist as long as its citizens desire. That is to say, Latvia's future is closely connected with the strengthening of the State organism, internal security, cultural progress and the truly democratic spirit which guides the country's legislation. Much depends also on the nation's having leaders in the future with as much wisdom and skill as, thank God, have characterized Latvian statesmen and economists up to the present.

Lithuania and Estonia are in a situation similar to that of Latvia. The three Baltic States have a common past, having rid themselves simultaneously of the foreign yoke. They present the same economic average. All three are agrarian States, not very densely populated, and located at the crossroads between western Europe and Russia. This has led to the much discussed suggestion of a close union of the three States. Such an union, if achieved, would pursue

positive aims, namely the maintenance of peace, increased production, the safeguarding of national independence, and also economic and political coöperation with Finland, Poland and all other free countries.

The Mission of the Latvian Nation. The independence of Latvia and of the other Baltic States finds its justification in the aim which each of the modern States pursues, namely the prosperity of the nation and its security. But the Baltic States, and particularly Latvia which is centrally located on the East coast of the Baltic Sea, have beyond that aim a still higher task to fulfil, namely to safeguard the state of peace in eastern Europe by means of their independence. While yet the Baltic States enjoyed no independence, the great powers competed with one another for the „*Dominium maris Baltici*,“ for supremacy in the Baltic Sea. This led to endless wars and, after all these centuries, the only satisfactory solution has been found in our age, in the fulfilment of the desire of the Baltic peoples for freedom. Thus the problem of Baltic equilibrium has been solved. These countries constitute a neutral bridge between western and eastern Europe, and are a means of reconciling the great powers on either side, whose interests are also furthered by the independence of the Baltic States. For the end of Baltic independence or the subjugation of these States to a foreign sphere of influence would be tantamount to the destruction of the equilibrium achieved and would revive the external struggle for supremacy, which is precluded in prevailing conditions. The independence of the Baltic States coincides with the European ideal of peace as embodied in the League of Nations, to which the Baltic States belong. The fulfilment of their historical mission may best be accomplished if these States remain in close contact with one another, as only by means of close coöperation will they be able to maintain their political independence and establish future security. By reason of its central geographical

situation Latvia is predestined to be a link between the Baltic States and a foremost contributor to the maintenance of peace on the Baltic seacoast.

The Baltic States and Russia.

From the foregoing observations regarding Latvia's political and economic situation, it is obvious that Latvia, like the other Baltic States, is engaged in a brisk and successful process of restoration, and that there is to all intents and purposes no shadow to obscure the country's future. But there is one question, which is often misunderstood, and therefore deserves contemplation in passing, and that is the present and future attitude of the Baltic States to Russia.

As is universally known, Latvia and its neighbours have already regulated their relations to Russia by the treaties of peace concluded. Latvian-Russian economic coöperation is based upon the treaty of commerce concluded in 1927, numerous conventions and other special agreements.

However, the question is often raised in the foreign press as to whether the Baltic States will be able to maintain their independence for any length of time, whereby it is opined that, on recovering its economic equilibrium and restoring commercial connections with the West, Russia will once more lay hands on the Baltic ports.

Indubitably, this would be a severe infringement of the existing treaties and a flagrant breach of international law. With a view to precluding this possibility the Baltic States are bent on achieving a Baltic Union.

The following circumstances deserve consideration, however: (1) Russia possesses several other harbours in the North, the port of Leningrad affording access to the Baltic Sea, and the ports of Murmansk and Archangelsk to the Arctic Ocean. (2) Russia's principal export commodities, viz., grain, coal, naphtha etc., are, as H. Schröder observes in „*Russland und die Ostsee*, Riga, 1927“, produced in the South in the neighbourhood of the Black Sea, where Russia

possesses excellent harbours. (3) Russia's finer export articles as butter, eggs, flax and bristles are exported today without the slightest difficulty through the Baltic harbours in Finland, Estonia, Latvia and Lithuania, whereby the latter Governments do the utmost to facilitate transit traffic. There can therefore be no talk of Russia's being isolated. (4) All the Baltic States are endeavouring to promote and improve commercial connections between Russia and Europe, whereby the successful and smooth conduct of such trade via the Baltic States has been registered on many occasions, especially during the Russian famine when Russia had to import enormous quantities of goods.

At any rate, the opinion that Russia is cut off from the Baltic Sea by these States is open to serious criticism. As has been observed elsewhere, Russia has the benefit of an exceptionally reasonable transit tariff, and the new States spend large sums for improving the means of communication and speeding up transit traffic.

Finally, the foreign policy of the Baltic States is based on the maintenance of peace and amicable coöperation with all neighbouring countries.

The Baltic States are engaged in stabilizing their economic situation. They fill a definite and recognized place in the economic life of Europe, not only as suppliers of foodstuffs and agricultural produce, but also as consumers. As regards export, it is noteworthy that, in the official publication „Die Wirtschaftliche Lage Deutschlands in 1925-26“, Latvia ranks second among 26 European countries as a supplier to central and western Europe, for 87% of its entire export went to western and central Europe in particular, and 90.9% to Europe in general.

Thus, Latvia is a typical continental supplier and, in this capacity, is holding its own amidst keen international competition. But this is only the beginning, for Latvia began to figure as a producer and consumer only nine years ago, and expects to achieve still better results in the future.

While Latvia is no rival of the highly developed industrial countries, its agricultural produce (butter, meat) and raw materials (flax, timber) are always in demand. In fact, Latvia imports large quantities of industrial products and ranks third, for example, in Russia's export list.

The economic situation of the Baltic States may therefore be regarded as completely secure.

Furthermore, the Baltic States are, ethnographically, entirely different from Russia. They are populated by Latvians, Estonians, Lithuanians, Finns and Poles, who speak their own national tongues, have different creeds and an entirely different cultural and social mode of life from the Russians.

The Baltic States are entitled to independent existence, for similar rights have not been withheld from Belgium, Denmark, Holland, Switzerland and many other small countries (there were in Europe before the war no fewer than eleven countries smaller than Latvia). Moreover, the new States have been admitted into the League of Nations.

It is true that new States are by no means infallible, but this is a trait in no wise less peculiar to older countries. It is to be hoped that the national right of self-determination will never become an empty phrase.

In refuting the contention that international intercourse is impeded by numerous frontiers, it may be observed that the Baltic States are energetically abolishing all unnecessary formalities. For instance, Latvia, Finland and Estonia have introduced complete freedom of movement for their citizens travelling or residing in the three States Estonia, Latvia and Finland, in which effort good results have been achieved.

In conclusion, we would stress the fact that the Baltic States have manifested unmistakably their will to be free, and will never sacrifice their independence to political machinations of any kind.

V. HINTS FOR FOREIGNERS.

The traveller who visits Latvia to stay here for some time will experience no difficulty in making himself understood, as English, German and French are widely understood and spoken, especially in the towns. He is advised to consult a Latvian representative abroad before embarking, so as to get the necessary information about travelling, passport and other formalities. The Latvian diplomatic and consular officers are also ready to supply applicants with much informative literature in all European languages, to give addresses and establish connections with institutions or persons, if so desired. Tickets and information are obtainable at the offices of Messrs. Thos. Cook and Sons. These preliminaries will help to smooth the traveller's sojourn in Latvia. Exchange offices are located at all frontier stations, where small amounts of money may be exchanged into Latvian currency, the average rate of the lat or gold franc being Ls 25 to the pound sterling and Ls 5 to the U. S. dollar. The exchange of larger sums should be effected in Riga.

You may reach Latvia either from Warsaw via Zemgale, crossing the river Daugava (Dwina) and passing the ancient castles of Daugavpils (Dwinsk), Gercika and Koknese on your way to Riga; or from Berlin via Eydtkuhnen, Kovno and Meitene, crossing the beautiful plains of Kurzeme (Courland) with rich fields and big forests stretching to right and left, and the red roofs of farms dotting the landscape. Near Jelgava (Mitau), the ancient capital of the Duchy of Courland, the modern traveller sees the First Latvian Sugar Factory and numerous brick factories. Between Jelgava and Riga lie the famous battlefields where the Latvian army

kept Hindenburg at bay for two years. Those who arrive from Helsingfors via Reval have the opportunity of seeing hilly Livonia. Leaving Estonia at Valk the train runs through Vilmiera (Wolmar), Cesis (Wenden), — both beautiful towns with historic traditions, — and Livonian Switzerland around Sigulda (Segewold), and thence to Riga. All routes lead to Riga, which may also be reached from the East via Moscow and the Latvian frontier station Zilupe, leaving wonderful Sebeza behind. This route leads through romantic Latgale with its lakes, deep and clear, reflecting picturesque churches. There may still be found the pre-historic waternut besides the varieties of Latvian flax famous all over the world. In Latgale is also the famous monastery of Aglona, the residence of the Roman Catholic Archbishop.

Latvia may also be reached by sea, coming from New York, London, Stettin, Ghent, Havre, Dunkirk etc., and arriving at the ports of Liepaja (Libau) and Ventspils (Windau), which are ice-free the whole year round, or at the central Baltic port of Riga. Here the traveller's attention should be directed to the 10-kilometre shore of Liepaja, the huge elevator at Ventspils and the industrial centre of Riga, which presents an impressive panorama as the vessel glides into the port of Riga from the sea.

Convenient accommodation is afforded at the „St. Petersburg“, „Rome“, „Bellevue“ and other hotels and boarding houses in Riga. Hotels are preferable in case of a short stay; and only in case of a longer stay should the traveller go to a boarding house, after having made inquiries as to the character of the same. Those who desire quietude and comfort should go to the St. Petersburg Hotel at Pils laukums (Castle Square) opposite the President's Castle. The State Historical and Art Museum (open 10—3), the editorial office of the „Valdibas Vestnesis“ (official gazette) and the State Archives are also quartered in the Castle. The Bank of Latvia is also located in the Castle Square. The State Library, the National Theatre

and the House of Parliament (Saeima) are all in the same vicinity. The Anglican Church of St. Saviour's, a beautiful red brick building, is on the riverside in the neighbourhood of the Castle. The Hotel de Rome is situated in a thronged business thoroughfare opposite the National Opera House and near the Central Post and Telegraph Office. Opposite the latter is the Hotel de Commerce, and on the other bank of the canal near the Central Railway Station is Bellevue Hotel. Lunch and dinner should be taken at the hotel or at the fashionable but modest restaurant of „Otto Schwarz“ on the Aspazias Boulevard, or the „Mazais Vermana darzs“ (opposite the „Lielais Vermana darzs“ a beautiful public park with exquisite rose garden at the corner of Elizabetes and Teatras iela), which is the favourite meeting place of Latvian society. Prices are moderate. Some of the specialties of Riga hotels and restaurants are Double Kummel, Daugava salmon, chicken, game and beer. Five o'clock tea should be taken at Café de l'Opera next to the restaurant of Otto Schwarz.

Passport and visa formalities may be left to the hotel porter, who will also procure tickets to the opera, theatre, operetta, etc., if desired.

As in Riga, so in Liepaja, there is a number of hotels („Petersburg“ and others), and in Ventspils, Jelgava, Ceska and other provincial towns a clean and comfortable room may always be got without difficulty. It should be mentioned here that nearly all European countries and the United States of America have diplomatic and consular representatives in Riga (some also in Liepaja), the addresses being given in the telephone directories or in the numerous Riga guide-books or almanacs. These representatives can always be consulted on questions concerning the respective traveller. Another source of general information is the Latvian Railway Travelling Agency (30—32 Skunu iela, Riga), which gives gratuitous advice to foreign travellers, and which may be consulted also by post on various questions.

Scientists should not fail to apply to the University (Raina boulevard 19), businessmen to the Exchange Committee (24 Pils iela), industrialists to the Industrial Association (Fabrikantu Biedriba), coöperative representatives to the „Konzums“ (68 Dzirnau iela), agriculturists to the Central Association of Latvian Farmers (4a Baznīcas iela). The competent government Departments and Ministries also supply ample information and explanations.

Journalists who stay in Latvia for a longer time are furnished with certificates by the Press Section of the Foreign Office, and may also receive free railway tickets and other facilities in their work. The Press Section has its own cinematograph, radio and a permanent exhibition of Latvian goods. Samples have been arranged there for the convenience of foreign visitors. Journalists should also visit the Latvian Telegraph Agency („Leta“ opposite the Exchange) and the editors of Latvian newspapers. The address of the Chairman of the Association of Foreign Journalists in Riga is M. Segreste, 3a Rupniecības iela. Sportsmen interested in shooting and fishing are welcome at the Hunting Club (Mednieku klubs).

So much for business and general affairs. If time permits, the traveller should take a look at Riga itself, which may be managed in the spare hours between trains. For this purpose the trams (14 centimes for all distances), motor busses (20 centimes), river steamers (10—30 centimes) or taxis may be used. The most convenient way is to hire a motor car, in case of a longer trip, say to Jelgava (40 kilometres), the Livonian Switzerland (Sigulda 50 km), the Strand (25 km), at the rate of 50 centimes per kilometre. There is also a bus line to the strand, departing at the beginning of Brīvības Boulevard, and the fare is two lats.

Riga lies on both banks of the Daugava. The principal streets lead to the Daugava quay as, for example, Valdemāra iela, (so called after K. Valdemar the Father of the Latvian Navy), Brīvības iela (Liberty Street), Krīstjana Barona iela

(called after the famous collector of Latvian folksongs in „Dainas“). The part of the town lying on the right bank is divided by a canal, which forms a side-arm of the main river. The part between the canal and the Daugava is called the „old city“, which is connected with the „new city“ by numerous bridges. On both sides the canal is lined by pleasure grounds and boulevards. In the „old“ section of the town are the Churches, banks, Opera house, Parliament the City, the Exchange, the House of the Black Heads, the Town Council, Guild Halls, Citadel, Custom House, Powder Tower with War Museum, and the Castle. The Opera house is in Aspazia boulevard (named in honour of the Latvian poetess Aspazia). Opposite the Opera house on the other side of the canal stands the University, and a few yards away the Conservatoire. The University is in Rainis boulevard (named in honour of the famous Latvian poet Rainis, whose monumental work „The Sons of Jacob“ has been translated into English and performed in London). Next to the Conservatoire, in Merkela iela (named in honour of the German writer G. Merkel, who championed the cause of Latvian emancipation) is the House of the Latvian Society (Rigas Latviešu Biedriba), which may well be regarded as the Athenaeum of Latvia, as it was the centre of national resurgence. The Academy of Art is opposite the Railway Station. The banks are situated principally in the Smilšu iela, at the end of which stands the Exchange building. The central street of the city is the Kalku iela with the most fashionable shops. The continuation of the latter is the beautiful Brīvības boulevard, the evening-promenade dear to the hearts of Riga people. The above mentioned hotels and „Otto Schwartz“ restaurant are also situated in „Old Riga“, which is so called because it represents the site of mediaeval Riga and still contains a great number of very old, picturesque buildings. The diplomatic quarter lies in the boulevard line, in the vicinity of the Foreign Office. There also is the Museum



Views of Riga: 1. General View 2. Aspazia Boul. 3. House of Blackheads 4. Theatre 5. Opera 6. St. John Church 7. Arch of Liberty 8. German School 9. Post & Telegraph 10. Museum 11. Guildhall 12. The Dome 13. War Museum 14. New St. Gertrude's Church



Bird's Eye View of Riga. 1. Valdemars iela (street) from Castle on riverside to Brit. Leg. (Nē 71) 2. Bank of Latvia & Finance Ministry 3. The Saeima (Parliament, opposite St Jacobs Church 4. War Museum & U. S. A. Consulate Smiļņu iela 8/10 5. The Exchange 6. Dram. Theatre 7. The University 8. Foreign Ministry, opposite Raiņa Boul. 9. The Basteja kalns (Hill) with the Canal 10. The Strēlnieku Garden (Officers Club & Tennis Club) 11. The Esplanade 12. The British Consul 9. Raiņa Boul 13. The Brīvības Boul. (Café de l'Opera, Rent. Otto Schwartz, Opera) 14. The German Legation 15. The Wärmann's Park 16. The Museum, opposite War Ministry 17. U. S. A. Legation Skolu iela 3. Est. Leg. Skolu iela 13. 18. The Y. M. C. A. 19. The Y. W. C. A. Belgian Legation, opposite Sov. Rus. Legation 20. Finnish Legation 1, Kalpaka Boul., opposite French Leg. 21. Polish Legation & French Consul 41/43, Elizabetes iela

Rem. 17. The American Legation has been transferred to Valkas iela 1, on July 26th, 1928.



1 Sunbathing 2 A paradise for children. 3 Safe bathing (1/2 klm shallow water). 4. Pine forests along the beach 5. Bathing cabins. 6. Hot sea baths.



1. Hotel and Restaurant Bulduri. 2. Typical Strand Station. 3. Perfect Road for autos from Riga to the Strand. 4. Yachting on the Lielupe river. 5. Boating and fishing on the same river close to the sea. 6. Tennis etc.

of the City of Riga (open 9—3) and the Esplanade for military parades.

Three big bridges connect the right bank of the Daugava with the suburbs on the left, and over them lies the way to Kurzeme (Courland), including Jelgava, Tukums, Kuldiga and Liepaja, and the Strand. Crossing the bridges we see to the left the upper Daugava, thronged with rafts, and in clear weather the Doles (Dahlen) Island may be seen, where the powerful rapids await harnessing for power. In this part of the town are the new Market, the red warehouses, the traditional lumber market, which is held every Sunday, and still farther, — at the end of Moscow street, — the porcelain factory of Kuznetzov and the „Quadrats“ rubber factory.

Looking to the right you view the port of Riga with Milgravis and Daugavgriva, and the summer resort of Vecaken in the distance. The part of the suburb immediately joining the bridge is called Agenskaln (Hagensberg), where the tower of the Riga Yacht Club is immediately seen. Then come Tornkalns (Torensberg), Zaslauks, — garden suburbs extending far westwards to Daugavgriva with its fortress and the high white beacon. On the left lie the Spilve meadows with the aerodrome. The watering place Vecaken may be reached by steamer, leaving from the right quay. So also may be reached Jelgava and the Strand. Steamers proceed as far as Neubad.

Continuing one's journey along the left bank, a beautiful panoramic view of Riga is presented near the Church of St. Martin. In St. Martin's Cemetery we find the graves of two gifted Latvians, namely Andr. Pumpurs who wrote the beautiful words of the Lacplesis Song, and Darzin the composer of „Valse Melancholique“. Thence the way leads to the strand, crossing the Lielupe and, at 20 km., arriving at Bulduri one may stop at Bulduri Hotel (Neiland), at which the first conference of the Baltic States was held in 1920.

The next seaside resort is Edinburga (named in honour of the Duke of Edinburg) with its pretty „Kurhaus“ and Sanatorium. The plain white beach sheltered by pine wood continues for several kilometres parallel to the densely populated townlets of Majori (fashionable hotel Jurmala), Dubulti, Melluži and Asari, to the famous sulphur springs of Kemerī (Kemmeri) and Sloka with its big cellulose factory. The beach is unbroken along the whole shore of the Gulf of Riga, over Kolkas Rags to Liepāja, and these places are the domains of fishermen. Amber is washed ashore during stormy weather.

The forests of Kurzeme (Courland) abound in game of many kinds. The strawberry season at the Riga Strand is in July.

There are many beautiful spots on the right bank of the river, in the near environs of Riga. Starting from the Castle in the direction of Milgravis, we pass on our left the Customs enclosure and the Export harbour. On the right we see Pulkvedis Briežu Park, with a tree planted by Peter the Great, then Pulkvedis Briežu iela (named in honour of Colonel Briedis, a Latvian hero of the Great War and the so called Red Daugava. Farther on we come to Meža Parks (Waldpark, formerly known as Kaiserwald) and Lake Ķīšezers or Stintsee (take tram No. 6 to Red Daugava). In ten minutes we are at the lake, which has a surface of forty square kilometres and is encircled by a dense forest of pine. For rafting purposes the lake is connected with the rivers Daugava and Gauja. The summer residence of President Zemgals, numerous dainty villas and large sporting grounds are located in Meža Parks. Regular communication with town is maintained by tramcars and motor busses which pass the Exhibition grounds and the Cemetery of Brotherhood, named in honour of those who made the great sacrifice in the Latvian war of independence. In the adjoining cemetery are the graves of two unforgettable Latvian statesmen, namely the late President Čakste who stood at the head of the State

from the day of its proclamation till his death in 1927, and the famous Foreign Minister the late Z. A. Meierovics, whose tragic end shocked the world in the summer of 1925 (his biography is given in the Encyclopaedia Britannica, 13 Edition). Travelling farther northwards you come to Vidzemes highroad and, after passing the Arch of Victory (marking the boundary of Riga), you are on the way to Livonian Switzerland, leaving to the left and right large forests and several small lakes, which latter abound in fish of different kinds.

Livonian Switzerland with its centre, the Gauja (Trout) Valley, is one of the most beautiful spots in Latvia. First of all, one should see Sigulda, thence by ferry boat (over the Gauja) to Turaida (Treyden) and Krimulda (Kremon), with their romantic ruins of XIII century castles etc. Very interesting is the legend connected with the ferry boat, according to which the Count of Sigulda promised to permit the marriage of his daughter to the Baron of Krimulda if the latter crossed the river without sails and oars. The Baron's gardener invented the ferryboat, which brought the happy couple together. There is also a legend of the Rose of Turaida as an example of fidelity. In the Journalists' Castle at Sigulda boarding house is run the whole year round (moderate prices, telephone to Riga). You can go there also by train from Riga (one hour) and from Sigulda station, — by cab or a sort of jaunting car (one lat) to the Castle. On the left bank of the Gauja beyond Sigulda the Ligat Paper Mills are situated, which have a wide reputation for high class paper. Then you come to the 700-year-old town of Cēsis, whose gallant inhabitants in the XVI century, rather than submit to Ivan the Terrible, blew themselves up together with their whole fortress. In the vicinity of Cēsis is situated the agricultural college of Priekule. In another direction rises the mystic Blue Hill where the ancient Latvians made sacrifices to their gods. The adjacent hilly district offers many interesting possibilities

to archaeologists, as here are numerous ancient „castle hills“. Excavations which were begun only recently have yielded important results, and numerous ornaments, implements, arms etc., have been found, and are on view at the Historical Museum in Riga (at the Castle).

After Cesis comes Valmiera, where the Danish flag is said to have fallen to earth from Heaven. From here the highroad runs to Valk, where it crosses the Estonian frontier. On the whole way to the right and left you observe farms, old and new, on the pastures herds of brown cattle, the typical rural landscape of Latvia. If you have time you should see the great dairy farm at Smiltene (one of Latvia's principal export items is butter). Thence you should go to Piebalga, the ancient centre of Latvian culture (also a flax centre), and through Jaunpils, Malpils and Alaiži, on a good road you come again to the Vidzemes highroad (near Inčukalns) and back to Riga. It is of interest to drop in at some farm and see how the Latvian farmer lives. You will notice that each family lives separately, and there are no villages as in Slav countries. Each farm has its own name, which is attached to the family of the owner.

Another pleasant tour is to Ogre and Koknese, up the Daugava. These places are also well frequented summer resorts with large forests. The famous Staburags, a limestone rock of which many old tales are told, the Koknese Rapids and other features are among the attractions of this district. Enormous quantities of timber are rafted down the Daugava from Russia to Riga every year.

The rural explorations require time, therefore it is advisable to leave early in the morning and to sacrifice at least one day to each object. The railway service always permits a return in the evening of the same day.

Those who stay in Riga for a longer time should not fail to see the old gothic churches dating principally from the XIII and XIV centuries: the Māra or Dome Church is famous for its architecture, the inner colonnade, and its great

museum. The Archbishops of Riga, beginning with Bishop Meinhard and Bishop Albert, the founder of the town (1201 A. D.), are buried in this church. The Church of St. Peter has a beautiful portal, its interior is decorated with the coats-of-arms of the ancient Baltic barons, and its wooden spire, which is the highest of its kind in Europe (440 feet), in spite of a deviation of 70 cm. from the perpendicular, still stands firm. Organ concerts are held every Saturday at the Dome Church, and they are always well attended. There is no fixed entrance fee. The very ancient Church of St. John is hidden among the warehouses and quaint buildings of the old city; the deep cellars of the church have served as shelter for persons and goods in times of danger. Of similar historic interest is the Church of St. Jacob, the seat of the Catholic Archbishop. The Church of St. Jacob was founded by Caupo, King of the Livs, who was christened Jacob on his conversion to Christianity. His daughter founded the Magdalene Church in similar circumstances.

The House of the Blackheads, opposite the Town Council House, should not be omitted: in the square before the Council House stands a statue of Roland, signifying that the City of Riga had the right to pass sentences of death. In the House of the Blackheads the peace treaty between Poland and Soviet Russia was signed in 1921. This marks an important moment in Europe's modern history. Many curious things are stored in the House, such as, for instance, a shoe of the Russian Empress, Anna, which she forgot after a dance, pictures of Swedish sovereigns, the famous silver treasure, etc. At present the building serves for concerts and official gatherings. The House of the Blackheads derives its name from an association of merchants whose patron saint was Mauritius a Moor.

The Town Hall stands opposite the House of the Blackheads and is decorated with 63 guns sunk into the foundations of the building. The Town Library contains

numerous historic documents of great value, of which we would mention the treaties of the City of Riga with Smolensk, Novgorod, and the Polish Kings; autographs and letters of Martin Luther, Herder (who was director of the library for some time), Richard Wagner (who was conductor at the Riga Opera and composed here the opera „Rienzi“, and other famous personalities who have lived in Riga. After you have inspected the Guildhalls and refreshed yourself at „St. John's Cellar,“ you turn towards the Castle, the ancient residence of the „Sword Brethren,“ and at present the residence of the State President. The inner portal of the Castle bears the relief of the famous Master of the Order, and the conqueror of Pskoff, Walter Plettenberg. The State Historical Museum and the State Art Museum are also domiciled in the Castle. The former contains very valuable finds of various excavations, among them Roman and Arabian coins dating from the VII century. The ethnographic section of the museum is interesting on account of its copious collection of various clothing, household and other articles, and old Latvian writings in runic letters. Genuine Latvian national dress is still worn in Rucava, near Liepāja. In the environs of that town also lies the so-called „Village of the Kings“ (Kēniņciems), where descendants of the former Courish kings are now living the life of ordinary peasants. The „Courish Switzerland“ is situated near Kandava, immediately beyond Tukums, and some people like it even more than the Livonian hills. Another attraction of the Castle is the Art Museum, where all Latvian painters and sculptors (Hahn, Fedder, Purvits, Rosental, Zarrins, Tillberg, Grosvald, Matvej, Vidberg, Suta, Uban, Kazaks and others) are represented, and which boasts of a Rembrandt too. Coming from the Castle you pass the house of the Catholic Archbishop, and then reach the Saeima (Parliament) building with the statue of Lacplesis (The Bear Slayer), the symbol of power. The Parliament building may be inspected with the permission of the Sergeant-at-Arms.

Your impression of the national Latvian spirit would be incomplete without a visit to the Military Museum in the so-called Powder Tower (a section of the wall of the ancient fortress), where various trophies, flags etc., are exhibited.

There remain the Municipal Museum with numerous works of Dutch painters, a local „Tutankhamen“ (an Egyptian mummy), the rare publications at the State Library, among them the first copy of Glück's translation of the Bible, and one of Kant's publications which was first printed in Riga.

In the evening you should attend the Opera (with its excellent ballet), which possesses a fine orchestra, chorus and several good singers. Equally worthy of a visit are the National Dramatic Theatre and Dailes Theatre. A special historic importance attaches to the National Theatre as the scene of the proclamation of Latvian independence on November 18, 1918. There are also in Riga a German, a Russian and a Jewish Theatre. The performances start at 7.30 and finish at about 10.30, to give the visitor time for supper at Schwartz's and a round through the Alhambra and other „subterranean“ places.

Those interested in the lives of the Courish Dukes and the French aristocratic emigrants of the distant past should go to Jelgava (Mitau), 40 kilometres from Riga, by car or train. There you will see Jelgava Castle, the ancient residence of the Dukes, an imposing masterpiece by Rastrelli. The same architect built Rundale Castle. In Jelgava you will find the graves of the Courish Dukes, and the local museum contains numerous rarities. Louis XVIII lived some time in Jelgava as an emigrant and guest of the Duke of Courland. *Fortuna variabilis!*

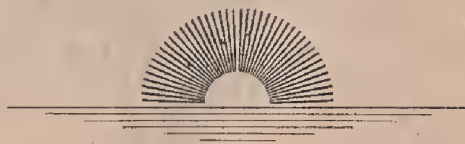
From Jelgava you could go to Tukums, thence to Ventspils or Courish Switzerland. Many other historic places and towns, as for instance, the second capital of Courland, Kuldīga, are hidden among the beautiful fields and forests of Courland, but they interest chiefly expert explorers, though

the simple layman is equally enthusiastic about the beauty of „God's Land“ (Courland). The traveller should not forget the Latvian people themselves, who well deserve the attention of ethnologists. They are the descendants of a very old stock, their language being derived from the Sanscrit, in which today only Japanese and Indian priests address their prayers to Buddha, and which stands near to the ancient Greek and Latin idioms.

The Latvians are closely related to the Lithuanians and to the Prussians who are now Germanized. It is interesting to note that unto this day over 6000 Latvians of Courish descent are living in Eastern Prussia on the so-called Courish Haff up to Koenigsberg.

Before leaving, do not forget to call at the Art Shop of Madame Grinberg in Aspazia boulevard to buy a collection of genuine items of peasants' art, amber brooches and other ornaments. The shop of the National Women's League at the corner of Brivibas and Lacplesis iela and the numerous antiquarian shops as, Kaulbars, Lemkin and Frick also deserve visits.

Calls on official persons may best be arranged through the respective Consulates.



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Books and other publications on Latvia:

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Information on Latvian affairs (political, economic and cultural) may be obtained at the Press Section of the Ministry of Foreign Affairs.

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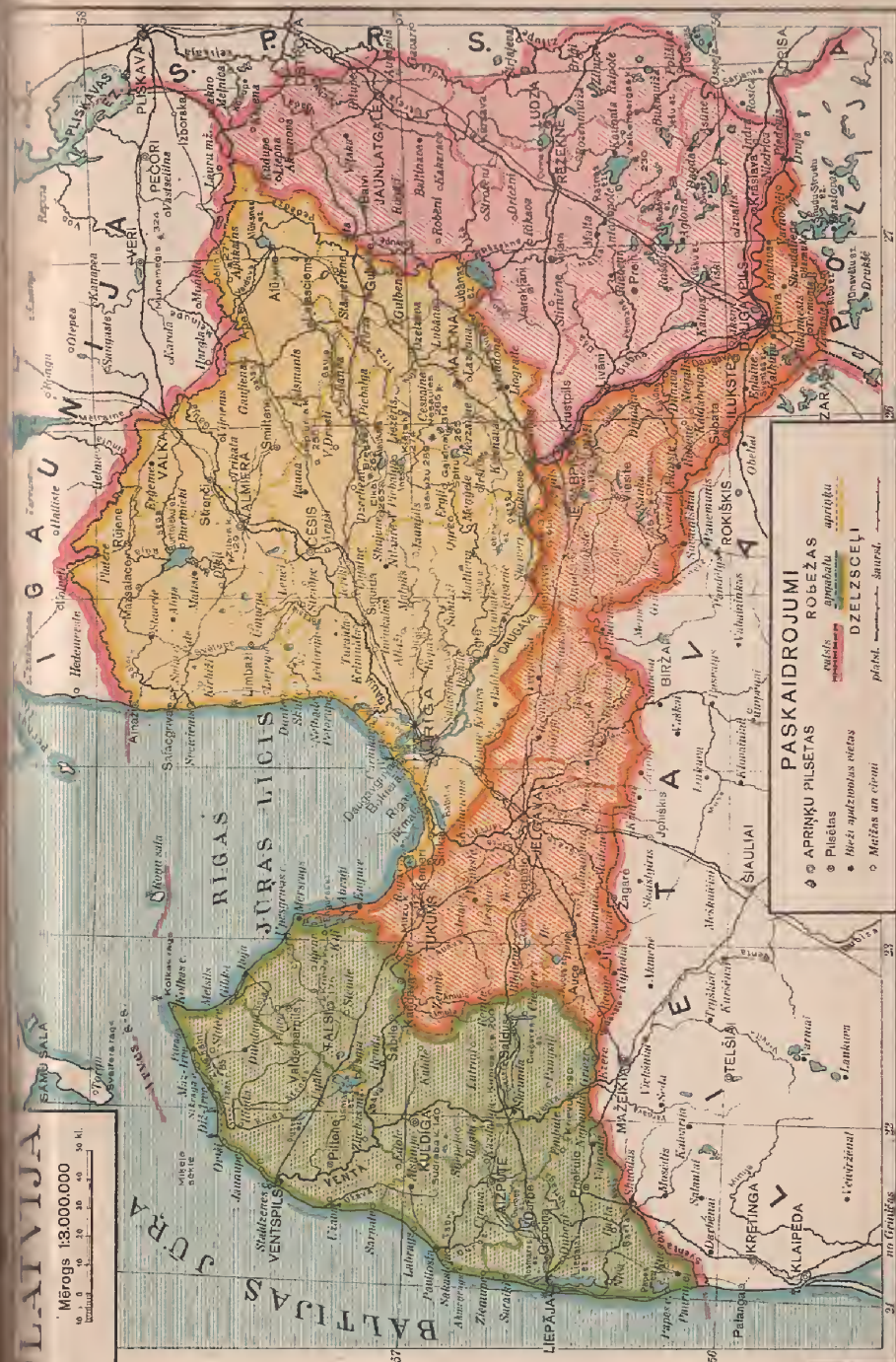
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Note. — The coloured plates of Latvian national costumes and Banknotes were executed at the State Printing Office; the Cover and the Map of Latvia by Messrs. A. Osinsch and P. Mantinieks, Cartographers, 119 Dzirnavaš iela, Riga; and the other illustrations at the Printing Office of the Latvian Farmers' Union.



CORRECTIONS.

PAGE 34. Deputy L. Schpoljanski does not belong to the party of Intellectual Russians, but to the Russian National Democratic party. The former is not represented in the present Saeima.

PAGE 92. The import in 1927 totalled 249.6 million lats.
